

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

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

TENABLE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
 (State or other jurisdiction of
 incorporation or organization)

7372
 (Primary Standard Industrial
 Classification Code Number)

47-5580846
 (I.R.S. Employer
 Identification Number)

7021 Columbia Gateway Drive, Suite 500
 Columbia, Maryland 21046
 (410) 872-0555

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

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

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input checked="" type="checkbox"/>

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, \$0.01 par value per share	\$	\$

- (1) In accordance with Rule 457(o) under the Securities Act of 1933, as amended, the number of shares being registered and the proposed maximum offering price per share are not included in this table.
- (2) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

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

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

PRELIMINARY PROSPECTUS
(Subject to Completion) Issued , 2018



COMMON STOCK

Tenable Holdings, Inc. is offering shares of its common stock. This is our initial public offering, and no public market currently exists for our shares of common stock. We anticipate that the initial public offering price will be between \$ and \$ per share.

We intend to apply to list our common stock on under the symbol "TNBL."

We are an "emerging growth company" as defined under the U.S. federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for this and future filings. Investing in our common stock involves risks. See "[Risk Factors](#)" beginning on page 13.

PRICE \$ A SHARE

	Price to Public \$	Underwriting Discounts and Commissions(1) \$	Proceeds to Tenable \$
Per Share			
Total	\$	\$	\$

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

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

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

The underwriters expect to deliver the shares of common stock to purchasers on , 2018.

Morgan Stanley

J.P. Morgan Allen & Company LLC
Stifel

Deutsche Bank Securities

William Blair

BTIG

, 2018

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You should rely only on the information contained in this document and any free writing prospectus we may authorize to be delivered or made available to you. We and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by us or on our behalf. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Through and including _____, 2018 (25 days after the date of this prospectus), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

For investors outside the United States: We and the underwriters have not done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for those purposes is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes and the information set forth under the sections titled “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in each case included elsewhere in this prospectus. Unless the context otherwise requires, we use the terms “Tenable,” “company,” “our,” “us,” and “we” in this prospectus to refer to Tenable Holdings, Inc. and, where appropriate, our consolidated subsidiaries.

TENABLE

Overview

We are the first and only provider of solutions for a new category of cybersecurity called Cyber Exposure. Cyber Exposure is a discipline for managing and measuring cybersecurity risk in the digital era. We are building on our deep technology expertise in the traditional vulnerability assessment and management market and expanding that market to include modern attack surfaces and provide business insight.

Digital transformation is driving radical change. As organizations modernize their IT infrastructure and adopt cloud or hybrid cloud architectures that are no longer housed in the confines of their corporate networks, they have less visibility and control over the security of these assets. Organizations are also increasingly implementing modern solutions, such as Internet of Things, or IoT, devices and application containers, to enable the rapid development and deployment of new products, services and business models, as well as to drive operational efficiencies. Further, safety-critical Operational Technology, or OT, such as Industrial Control Systems, are now network-connected and need to be secured from cybersecurity threats. This digital transformation increases IT complexity and cybersecurity risk as attack surfaces expand. We refer to an organization’s inability to see the breadth of the modern attack surface and analyze the level of cyber exposure as the Cyber Exposure Gap.

While other functions in an organization, such as finance and operations, have a system to help them manage and measure risk, to date, cybersecurity risk has not been adequately measured and understood. Our platform is built to be the Cyber Exposure Command Center for an organization’s Chief Information Security Officer, or CISO. Our platform provides the CISO with unified visibility into the organization’s state of security and enables security teams to prioritize and focus remediation efforts. Our platform also translates vulnerability data into actionable business metrics and insights that boards of directors and executives can understand and use to make strategic decisions. We believe our Cyber Exposure solutions are transforming how security is managed and measured and will help organizations more rapidly embrace digital transformation.

Our enterprise platform offerings include Tenable.io and SecurityCenter. Tenable.io is our software as a service, or SaaS, offering that manages and measures cyber exposure across a range of traditional IT assets, such as networking infrastructure, desktops and on-premises servers and modern assets, such as cloud workloads, containers, web applications, IoT and OT assets. SecurityCenter is built to manage and measure cyber exposure across traditional IT assets and can be run on-premises, in the cloud or in a hybrid environment. Our enterprise platform offerings provide broad visibility into Cyber Exposure issues such as vulnerabilities, misconfigurations, internal and regulatory compliance violations and other indicators of the state of an organization’s security. We also provide deep analytics to help organizations measure trends in their cyber exposure over time. Our platform integrates and analyzes data from our native collectors alongside IT asset, vulnerability and threat data from

third-party systems and applications to prioritize security issues for remediation and focus an organization's resources based on risk and business criticality. Later in 2018, we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers.

We believe that our long history in vulnerability management provides us with a significant competitive advantage in closing the Cyber Exposure Gap. We have been an integral part of the cybersecurity market for nearly two decades, initially by helping organizations assess their IT environments for vulnerabilities. Our co-founder is the creator of Nessus, one of the most widely deployed vulnerability assessment solutions in the cybersecurity industry, which underpins our enterprise platform. Since the introduction of Nessus in 1998, an extensive community of Nessus users has emerged. We continue to cultivate knowledge and affinity within this user base, which, when combined with our enterprise customers and our Tenable Research team of cybersecurity and data science experts, creates powerful network effects in the form of a continuous feedback loop of data and insights. We use these learnings to expand our assessment capabilities and coverage, continually optimize our solutions and inform our product strategy and innovation priorities. These data and insights will also fuel and strengthen our benchmarking capabilities over time. We believe the breadth and scale of our data asset is a sustainable advantage and, as the size of our network increases, the value of our data and insights increases and extends our competitive barrier.

We believe we have a differentiated business model in the cybersecurity industry that combines the adoption benefits of our free version of Nessus, Nessus Home, and our paid version of Nessus, Nessus Professional, both of which serve as on-ramps for customers and potential customers to our enterprise platform. Our free version of Nessus has had approximately two million cumulative users over the past 20 years, which we believe has created broad familiarity and affinity with our products, as well as mindshare among the overwhelming majority of security practitioners. Among our approximately 19,000 Nessus Professional customers, we believe we have significant opportunity to drive adoption of our enterprise platform offerings.

As of December 31, 2017, we had more than 24,000 customers across Tenable.io, SecurityCenter and Nessus Professional. Our customers include enterprises of all sizes located in over 160 countries, including over 50% of the Fortune 500 and 20% of the Global 2000 organizations, as well as government agencies around the world.

We have experienced rapid growth in recent periods. Our enterprise platform offerings are primarily sold on an annual prepaid subscription basis. For the years ended December 31, 2016 and 2017, our total revenue was \$124.4 million and \$187.7 million, respectively, representing a year-over-year growth rate of 51%. In both 2016 and 2017, our recurring revenue represented 86% of our total revenue. Our net loss was \$37.2 million and \$41.0 million for the years ended December 31, 2016 and 2017, respectively. Our free cash flow was \$(8.6) million and \$(9.3) million for the years ended December 31, 2016 and 2017, respectively. We have not raised any primary institutional capital prior to this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further description and analysis of our financial results and "Selected Consolidated Financial Data—Non-GAAP Financial Measures" for a discussion of how we calculate free cash flow.

Industry Background

Digital Transformation Increases IT Complexity and Cybersecurity Risk

Organizations of all sizes across industries are embracing digital transformation in order to seek competitive advantages. While digital transformation creates new opportunities, the underlying technologies and platforms

that enable this transformation dramatically increase IT complexity and overall cybersecurity risk by creating a significantly expanding attack surface for hackers to exploit. These areas include:

- *Modernization of IT infrastructure and adoption of cloud computing.* As organizations modernize their legacy IT infrastructure and adopt cloud or hybrid cloud architectures that are no longer housed in the confines of their corporate networks, they have less visibility and control over the security of these assets.
- *The growth of applications.* The number of applications and frequency of releases have grown substantially in recent years, and often these applications are developed outside of traditional development processes, sometimes bypassing traditional security controls.
- *The rise of DevOps.* The increased need for application development velocity has resulted in the rise of DevOps, software development practices and tools that increase an organization's ability to rapidly deliver applications and services. In a DevOps model, new application features can be deployed on an hourly to daily basis. These critical and short-lived assets are deployed rapidly, creating blind spots for security teams and building security into these development processes is extremely difficult.
- *The proliferation of IoT devices in the enterprise.* Organizations are seeing a significant rise in IoT devices. While such connected devices serve as a way to collect and transmit operational data to enhance business operations, they also create new points of attack for hackers due to their connectivity with business-critical systems.
- *IT / OT convergence.* Operational Technology, such as Industrial Control Systems used in industries like manufacturing, were not originally designed with network connectivity and IT security in mind. However, as organizations are being driven to connect all aspects of their infrastructure, OT assets are becoming increasingly connected, and a cyberattack on an OT asset is not just a matter of business disruption; it can also be a public safety concern.

Cybersecurity Risk is Business Risk, Yet Organizations Lack the Insight to Guide Decisions

Cybersecurity risk is no longer a tactical technology issue for IT professionals alone, but rather a strategic business issue. Executives and boards of directors are struggling to effectively understand and manage their organizations' cybersecurity risk in response to mandates from insurers, regulators, stockholders and consumers.

Boards seek to understand how secure their organization is, where the greatest risks are, how much they should be investing to reduce risk and how their organization compares to their industry peers and best-in-class organizations. As boards focus their attention on understanding and benchmarking their cyber exposure, CISOs need solutions that translate vulnerability data into actionable business insights so that they and their boards can proactively understand, measure and manage cybersecurity risk.

Existing Solutions Fall Short of Addressing Cyber Exposure

Many organizations have implemented vulnerability assessment and management tools that scan traditional IT systems on scheduled intervals and present raw lists of technical issues.

These traditional solutions fall short on two key dimensions:

- *Lack of visibility across the breadth of the modern attack surface.* Many tools were designed before the rise of cloud, containers and IoT and focus instead on traditional IT systems such as networking infrastructure, desktops and on-premises servers. These tools do not address the dynamic nature of modern assets, or fully assess IoT devices and OT systems.

- *Inability to translate vulnerability data into business insights.* Traditional tools lack both the prioritization and deep analytics that security teams, the CISOs, executives and boards of directors need to assess and benchmark their cybersecurity risk to make informed business decisions based on this raw technical security data.

In addition to traditional vulnerability management tools, organizations typically deploy many security tools, such as protection and detection and response technologies, which address different parts of security, but do not address the Cyber Exposure problem specifically. These point solutions are designed to collect, understand and react to threat activity, but do not answer fundamental strategic questions about the organization's state of security.

Our Solution

Our vision is to empower every organization to understand and reduce their cybersecurity risk. We are the first and only Cyber Exposure platform designed to provide broad visibility and deep insights into cyber exposure across the entire modern attack surface.

Our platform is built to serve as the Cyber Exposure Command Center, enabling organizations to answer foundational and strategic questions such as:

- Where are we exposed?
- Where should we prioritize based on risk?
- Are we reducing our exposure over time?
- How do we compare to our peers?

Our enterprise platform offerings include Tenable.io and SecurityCenter. With our platform, our customers are able to gain visibility into their cyber exposure, prioritize remediation efforts based on risk and business criticality and benchmark cybersecurity risk in order to guide strategic decisionmaking. Our solutions deliver the following key business benefits for our customers:

- ***Visibility across a breadth of assets.*** We provide customers with broad visibility into the full range of attack surfaces within a single platform. Our solutions cover traditional IT assets, such as networking infrastructure, desktops and on-premises servers, as well as modern assets, such as cloud, containers, web applications, IoT and OT assets that reside both inside and outside of a customer's corporate network. Our solutions provide a range of continuous discovery and assessment techniques applied to the entire scope of a customer's IT infrastructure.
- ***Depth of analytics to prioritize issues and measure cybersecurity risk.*** Once asset discovery and assessment information is obtained, our platform is designed to give our customers a comprehensive and objective understanding of their cybersecurity posture and where they are exposed. Our solutions integrate and analyze our natively collected data alongside third-party data to rapidly prioritize security issues. Our analytics use our deep knowledge base, built over 20 years, to provide customers with a quantitative assessment of their cyber exposure.

Competitive Strengths

We believe we have the following strengths that drive value to our customers and provide sustainable advantage for us:

- ***Deeply trusted brand among large global Nessus community.*** Nessus is a widely adopted vulnerability assessment solution, with approximately two million cumulative users globally over the past 20 years. This community has developed a deep trust and affinity for Nessus, which we believe is a competitive advantage difficult to replicate.

- ***Our data asset drives significant network effects.*** The combination of our extensive community of Nessus users, our approximately 19,000 Nessus Professional customers and our Tenable Research team provides a continuous feedback loop of data, insight and learnings, which we use to expand our assessment capabilities and coverage.
- ***Differentiated business model.*** We believe that our business model is a key differentiator in our market and creates a strong competitive moat by combining the adoption benefits of free software with the economic benefits of a proprietary software business model. Through the large and growing base of Nessus users, we are able to create familiarity with our products and gain mindshare among security practitioners. Among our approximately 19,000 Nessus Professional customers, we believe we have a significant opportunity to convert customers to our enterprise platform products, Tenable.io and SecurityCenter.
- ***Powerful assessment capabilities.*** Our platform provides broad vulnerability assessment capabilities that cover the full range of IT assets and cloud environments. We built the majority of these assessment capabilities natively into our platform from the ground up, which have been optimized and enhanced over the course of the past 20 years in close collaboration with the security community. In addition, we partner with other companies that possess deep expertise in specific markets and asset types.

Our Opportunity

We address what we refer to as the Cyber Exposure market, which includes traditional and modern attack surfaces. We estimate our total addressable market will reach approximately \$16 billion in 2019.

Growth Strategy

In order to maintain our market leadership in Cyber Exposure and to capture our large market opportunity, key elements of our growth strategy include:

- Continue to acquire new enterprise platform customers.
- Expand asset coverage within our customer base.
- Invest in our technology platform and expand use cases.
- Accelerate international expansion.

Selected Risks Affecting Our Business

Investing in our common stock involves risk. You should carefully consider all the information in this prospectus prior to investing in our common stock. These risks are discussed more fully in the section entitled “Risk Factors” immediately following this prospectus summary. These risks and uncertainties include, but are not limited to, the following:

- We have a history of losses and may not achieve or maintain profitability in the future.
- We may not be able to sustain our revenue growth rate in the future.
- We may not be able to scale our business quickly enough to meet our customers’ growing needs.
- If our solutions fail to detect vulnerabilities or incorrectly detect vulnerabilities, or if they contain undetected errors or defects, our brand and reputation could be harmed.
- Our future quarterly results of operations are likely to fluctuate significantly due to a wide range of factors, which makes our future results difficult to predict.

- We face intense competition.
- If we do not continue to innovate and offer solutions that address the dynamic cybersecurity landscape, we may not remain competitive.
- Our business and results of operations depend substantially on our customers renewing their subscriptions with us and expanding the number of assets under their subscriptions. Any decline in our customer renewals, terminations or failure to convince our customers to expand their use of subscription offerings would harm our business, results of operations and financial condition.
- Our brand, reputation and ability to attract, retain and serve our customers are dependent in part upon the reliable performance of our solutions and network infrastructure.
- We rely on third parties to maintain and operate certain elements of our network infrastructure.
- We rely on our third-party channel partner network of distributors and resellers to generate a substantial amount of our revenue.
- Concentration of ownership among our existing directors, executive officers and holders of 5% or more of our outstanding common stock may prevent new investors from influencing significant corporate decisions, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

Corporate Information

Tenable Network Security, Inc., our predecessor, was incorporated under the laws of the State of Delaware in 2002. In 2015, in connection with the sale of 39,538,354 shares of Series B redeemable convertible preferred stock to investors, we entered into the series of transactions below, which we refer to collectively as our Series B financing or our recapitalization. Tenable Holdings, Inc. was incorporated in Delaware in October 2015, and in November 2015, Tenable Network Security, Inc. was merged into our wholly-owned indirect subsidiary and in 2017 was renamed as Tenable, Inc. As part of the Series B financing, we entered into contribution agreements with certain stockholders of Tenable, Inc. pursuant to which they contributed shares of Tenable, Inc. to us in exchange for the same class and number of shares of Tenable Holdings, Inc. As a result, we issued an aggregate of 20,670,193 shares of common stock and 15,847,500 shares of Series A redeemable convertible preferred stock to these stockholders and paid aggregate cash consideration of \$229.1 million.

Pursuant to the merger agreement, each outstanding share of common stock of Tenable, Inc. held by accredited investors (other than the shares contributed to us and shares held by dissenting stockholders) was, at such holder's election, converted into the right to receive a combination of cash consideration and shares of our common stock. Shares held by non-accredited investors, and, at their election, shares held by certain accredited investors, were automatically converted into cash. We used the proceeds from the Series B financing to purchase these shares and make the payments referenced above. None of the proceeds from the sale of Series B redeemable convertible preferred stock were retained by us. See "Certain Relationships and Related Party Transactions—Sale of Series B Redeemable Convertible Preferred Stock and Stock Repurchases." Additionally, at the effective time of the merger, each outstanding option granted by Tenable, Inc. was assumed by us and converted into an option to acquire our common stock and continued to be subject to the same terms and conditions applicable to the options. As a result, outstanding Tenable, Inc. options were assumed by us and converted into options to purchase an aggregate of 7,616,253 shares of our common stock.

Our principal executive offices are located at 7021 Columbia Gateway Drive, Suite 500, Columbia, Maryland 21046. Our telephone number is (410) 872-0555. Our website address is www.tenable.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock.

“Tenable,” “Nessus,” “Tenable.io” and the Tenable logo, and other trademarks or service marks of Tenable Holdings, Inc. appearing in this prospectus are the property of Tenable Holdings, Inc. This prospectus contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or TM symbols.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to have only two years of audited financial statements and only two years of related selected financial data and management’s discussion and analysis of financial condition and results of operations disclosure;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- an exemption from implementation of new or revised financial accounting standards until they would apply to private companies and from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation;
- reduced disclosure obligations regarding executive compensation arrangements; and
- no requirement to seek nonbinding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of some or all these provisions until we are no longer an emerging growth company. We are choosing to irrevocably “opt out” of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards, but we intend to take advantage of the other exemptions discussed above. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We will remain an emerging growth company until the earlier to occur of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of this offering, (b) in which we have total annual gross revenue of at least \$1.07 billion or (c) in which we are deemed to be a “large accelerated filer,” under the rules of the U.S. Securities and Exchange Commission, or SEC, which means the market value of our equity securities that is held by non-affiliates exceeds \$700 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

THE OFFERING

Common stock offered by us shares

Common stock to be outstanding after this offering shares

Over-allotment option of common stock offered by us shares

Use of proceeds We estimate that we will receive net proceeds of approximately \$ million (or approximately \$ million if the underwriters exercise their over-allotment option in full), assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriter discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock and facilitate our future access to the capital markets. We expect to use the net proceeds of this offering for working capital and other general corporate purposes. We may use a portion of the proceeds from this offering for acquisitions or strategic investments in complementary businesses or technologies, although we do not currently have any plans for any such acquisitions or investments. These expectations are subject to change. See “Use of Proceeds” for additional information.

Risk factors See “Risk Factors” and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

Proposed symbol “TNBL”

The number of shares of our common stock that will be outstanding after this offering is based on 79,857,829 shares of common stock outstanding as of December 31, 2017, and excludes:

- 14,573,452 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2017, at a weighted-average exercise price of \$4.38 per share;
- 522,759 shares of common stock reserved for future issuance under our 2016 Stock Incentive Plan, which shares will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective;
- shares of common stock reserved for future issuance pursuant to our 2018 Equity Incentive Plan, which will become effective prior to the closing of this offering; and
- shares of common stock reserved for future issuance under our 2018 Employee Stock Purchase Plan, which will become effective prior to the closing of this offering.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 55,385,854 shares of our common stock immediately prior to the closing of this offering;
- no exercise of outstanding options after December 31, 2017;
- no exercise by the underwriters of their over-allotment option to purchase additional shares of our common stock; and
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the closing of this offering.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

We derived the summary consolidated statements of operations data for the years ended December 31, 2016 and 2017 and the summary consolidated balance sheet data as of December 31, 2016 and 2017 from our audited consolidated financial statements included elsewhere in this prospectus. In order to provide additional historical financial information, we have included supplemental consolidated statements of operations data for the year ended December 31, 2015, which is derived from the consolidated statement of operations and comprehensive loss for the year ended December 31, 2015 from our audited financial statements not included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future.

When you read this summary consolidated financial data, it is important that you read it together with the historical consolidated financial statements and related notes to those statements, as well as “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included elsewhere in this prospectus.

	Year Ended December 31,		
	2015	2016	2017
	(in thousands, except per share data)		
Consolidated Statements of Operations Data:			
Revenue ⁽¹⁾	\$ 93,466	\$124,371	\$187,727
Cost of revenue ⁽²⁾	10,914	14,219	25,588
Gross profit	82,552	110,152	162,139
Operating expenses:			
Sales and marketing ⁽¹⁾⁽²⁾	60,635	85,736	116,299
Research and development ⁽²⁾	25,288	40,085	57,673
General and administrative ⁽²⁾	15,348	20,164	28,927
Recapitalization costs ⁽³⁾	67,039	—	—
Total operating expenses	168,310	145,985	202,899
Loss from operations	(85,758)	(35,833)	(40,760)
Other expense, net	189	532	91
Loss before income taxes	(85,947)	(36,365)	(40,851)
(Benefit from) provision for income taxes	(2,188)	843	171
Net loss	(83,759)	(37,208)	(41,022)
Accretion of Series A and B redeemable convertible preferred stock	29	763	763
Net loss attributable to common stockholders	<u>\$ (83,788)</u>	<u>\$ (37,971)</u>	<u>\$ (41,785)</u>
Net loss per share attributable to common stockholders, basic and diluted ⁽⁴⁾	<u>\$ (1.45)</u>	<u>\$ (1.81)</u>	<u>\$ (1.88)</u>
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	<u>57,654</u>	<u>20,974</u>	<u>22,211</u>
Pro forma net loss per share, basic and diluted (unaudited) ⁽⁵⁾			<u>\$ (0.53)</u>
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)			<u>77,597</u>

(1) We adopted Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*, or ASC 606, on January 1, 2017 using the modified retrospective method. The 2015 and 2016 consolidated statements of operations were not adjusted for the adoption of ASC 606. See Note 2 to our consolidated financial statements included elsewhere in this prospectus for details on the impact of adopting ASC 606.

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

	Year Ended December 31,		
	2015	2016	2017
	(in thousands)		
Cost of revenue	\$ 52	\$ 223	\$ 281
Sales and marketing	866	969	1,579
Research and development	252	602	1,782
General and administrative	509	738	4,118
Total stock-based compensation expense	<u>\$1,679</u>	<u>\$2,532</u>	<u>\$7,760</u>

- (3) We recorded a charge of \$67.0 million primarily resulting from the repurchase price paid to common stockholders exceeding the estimated fair value of the common stock on the date of the Series B financing.
- (4) See Note 9 to our consolidated financial statements appearing elsewhere in this prospectus for further details on the calculation of basic and diluted net loss per share attributable to common stockholders.
- (5) Pro forma basic and diluted net loss per share represents net loss divided by the pro forma weighted-average shares of common stock outstanding. Pro forma weighted-average shares outstanding reflects the conversion of all outstanding shares of preferred stock (using the if-converted method) into common stock as though the conversion had occurred on the first day of the relevant period.

	As of December 31, 2017		Pro forma as adjusted(2) (3)
	Actual	Pro forma(1) (in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 27,210	\$ 27,210	
Working capital (deficit)(4)	(69,091)	(69,091)	
Total assets	164,337	164,337	
Deferred revenue, current and non-current	225,818	225,818	
Redeemable convertible preferred stock	277,735	—	
Accumulated deficit	(392,587)	(392,587)	
Total stockholders' deficit	(371,665)	(93,930)	

- (1) Pro forma consolidated balance sheet data reflects the conversion of all outstanding shares of preferred stock into common stock immediately prior to the closing of this offering as if such conversion had occurred on December 31, 2017.
- (2) Pro forma as adjusted consolidated balance sheet data reflects the pro forma items described immediately above and our sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) Pro forma as adjusted consolidated balance sheet data is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease pro forma as adjusted cash and cash equivalents, working capital (deficit), total assets and total stockholders' deficit by approximately \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. A 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease pro forma as adjusted cash and cash equivalents, total assets and total stockholders' deficit by approximately \$ _____ million, assuming that the assumed initial offering price to the public remains the

same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

- (4) We define working capital (deficit) as total current assets less total current liabilities. See our consolidated financial statements included elsewhere in this prospectus for further details regarding our current assets and current liabilities. Changes in working capital (deficit) reflect increases in deferred revenue and deferred commissions as a result of our subscription model and our adoption of ASC 606.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before deciding whether to purchase shares of our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Industry

We have a history of losses and may not achieve or maintain profitability in the future.

We have historically incurred net losses, including net losses of \$37.2 million and \$41.0 million in 2016 and 2017, respectively. As of December 31, 2017, we had an accumulated deficit of \$392.6 million. Because the market for our offerings is highly competitive and rapidly evolving and these solutions have not yet reached widespread adoption, it is difficult for us to predict our future results of operations. While we have experienced significant revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of sales of our offerings to sustain or increase our growth or achieve or maintain profitability in the future. We also expect our costs to increase in future periods, which could negatively affect our future operating results if our revenue does not increase at a greater rate. In particular, we expect to continue to expend substantial financial and other resources on:

- research and development related to our offerings, including investments in our research and development team;
- sales and marketing, including a significant expansion of our sales organization, both domestically and internationally;
- continued international expansion of our business; and
- general and administrative expense, including legal and accounting expenses related to being a public company.

These investments may not result in increased revenue or growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position and results of operations will be harmed and we may not be able to achieve or maintain profitability over the long term. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in losses in future periods. If our revenue growth does not meet our expectations in future periods, our financial performance may be harmed, and we may not achieve or maintain profitability in the future.

We may not be able to sustain our revenue growth rate in the future.

From 2016 to 2017, our revenue grew from \$124.4 million to \$187.7 million, representing year-over-year growth of 51%, primarily from an increase in subscription revenue. Although we have experienced rapid growth historically and currently have high customer renewal rates, we may not continue to grow as rapidly in the future due to a decline in our renewal rates, failure to attract new customers or other factors. Any success that we may experience in the future will depend in large part on our ability to, among other things:

- maintain and expand our customer base;
- increase revenue from existing customers through increased or broader use of our offerings within their organizations;

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- improve the performance and capabilities of our offerings through research and development;
- continue to develop and expand our enterprise platform;
- maintain the rate at which customers purchase and renew subscriptions to our enterprise platform offerings;
- continue to successfully expand our business domestically and internationally; and
- successfully compete with other companies.

If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. You should not rely on our revenue for any prior quarterly or annual periods as any indication of our future revenue or revenue growth.

We may be unable to rapidly and efficiently adjust our cost structure in response to significant revenue declines, which could adversely affect our operating results.

We recognize substantially all of our revenue ratably over the term of our subscriptions and, to a lesser extent, perpetual licenses ratably over an expected period of benefit and, as a result, downturns in sales may not be immediately reflected in our operating results.

We recognize substantially all of our revenue ratably over the terms of our subscriptions with customers, which generally occurs over a one-year period and, for our perpetual licenses, over a five-year expected period of benefit. As a result, a substantial portion of the revenue that we report in each period will be derived from the recognition of deferred revenue relating to agreements entered into during previous periods. Consequently, a decline in new sales or renewals in any one period may not be immediately reflected in our revenue results for that period. This decline, however, will negatively affect our revenue in future periods. Accordingly, the effect of significant downturns in sales and market acceptance of our solutions and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods. This also makes it difficult for us to rapidly increase our revenue growth through additional sales in any period, as revenue from new customers generally will be recognized over the term of the applicable agreement.

We may not be able to scale our business quickly enough to meet our customers' growing needs.

As usage of our enterprise platform grows, and as customers expand in size or expand the number of IT assets or IP addresses under their subscriptions, we may need to devote additional resources to improving our technology architecture, integrating with third-party systems and maintaining infrastructure performance. In addition, we will need to appropriately scale our sales and marketing headcount, as well as grow our third-party channel partner network, to serve our growing customer base. If we are unable to scale our business appropriately, it could reduce the attractiveness of our solutions to customers, resulting in decreased sales to new customers, lower renewal rates by existing customers or the issuance of service credits or requested refunds, each of which could hurt our revenue growth and our reputation. Even if we are able to upgrade our systems and expand our personnel, any such expansion will be expensive and complex, requiring management time and attention. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. These efforts may reduce revenue and our margins and adversely impact our financial results.

If our enterprise platform offerings do not interoperate with our customers' network and security infrastructure or with third-party products, websites or services, our results of operations may be harmed.

Our enterprise platform offerings, Tenable.io and SecurityCenter, must interoperate with our customers' existing network and security infrastructure. These complex systems are developed, delivered and maintained by

the customer and a myriad of vendors and service providers. As a result, the components of our customers' infrastructure have different specifications, rapidly evolve, utilize multiple protocol standards, include multiple versions and generations of products and may be highly customized. We must be able to interoperate and provide our security offerings to customers with highly complex and customized networks, which requires careful planning and execution between our customers, our customer support teams and our channel partners. Further, when new or updated elements of our customers' infrastructure or new industry standards or protocols, such as HTTP/2, are introduced, we may have to update or enhance our cloud platform and our other solutions to allow us to continue to provide service to customers. Our competitors or other vendors may refuse to work with us to allow their products to interoperate with our solutions, which could make it difficult for our cloud platform to function properly in customer networks that include these third-party products.

We may not deliver or maintain interoperability quickly or cost-effectively, or at all. These efforts require capital investment and engineering resources. If we fail to maintain compatibility of our cloud platform and our other solutions with our customers' network and security infrastructures, our customers may not be able to fully utilize our solutions, and we may, among other consequences, lose or fail to increase our market share and experience reduced demand for our services, which would materially harm our business, operating results and financial condition.

If our solutions fail to detect vulnerabilities or incorrectly detect vulnerabilities, or if they contain undetected errors or defects, our brand and reputation could be harmed.

If our solutions fail to detect vulnerabilities in our customers' cybersecurity infrastructure, or if our solutions fail to identify to new and increasingly complex methods of cyberattacks, our business and reputation may suffer. There is no guarantee that our solutions will detect all vulnerabilities, especially in light of the rapidly changing security landscape to which we must respond. Additionally, our solutions may falsely detect vulnerabilities or threats that do not actually exist. For example, our solutions rely on information provided by an active community of users who contribute new exploits, attacks and vulnerabilities. If the information from these third parties is inaccurate, the potential for false indications of security vulnerabilities increases. These false positives, while typical in the industry, may impair the perceived reliability of our offerings and may therefore adversely impact market acceptance of our products and could result in negative publicity, loss of customers and sales and increased costs to remedy any problem.

Our solutions may also contain undetected errors or defects when first introduced or as new versions are released. We have experienced these errors or defects in the past in connection with new solutions and product upgrades and we expect that these errors or defects will be found from time to time in the future in new or enhanced solutions after commercial release. Defects may cause our solutions to be vulnerable to attacks, cause them to fail to detect vulnerabilities, or temporarily interrupt customers' networking traffic. Any errors, defects, disruptions in service or other performance problems with our solutions may damage our customers' business and could hurt our reputation. If our solutions or fail to detect vulnerabilities for any reason, we may incur significant costs, the attention of our key personnel could be diverted, our customers may delay or withhold payment to us or elect not to renew or other significant customer relations problems may arise. We may also be subject to liability claims for damages related to errors or defects in our solutions. A material liability claim or other occurrence that harms our reputation or decreases market acceptance of our solutions may harm our business and operating results.

An actual or perceived security breach or theft of the sensitive data of one of our customers, regardless of whether the breach is attributable to the failure of our solutions, could adversely affect the market's perception of our brand and our offerings and subject us to legal claims.

Our future quarterly results of operations are likely to fluctuate significantly due to a wide range of factors, which makes our future results difficult to predict.

Our revenue and results of operations have historically varied from period to period, and we expect that they will continue to do so as a result of a number of factors, many of which are outside of our control, including:

- the level of demand for our enterprise platform;
- the introduction of new products and product enhancements by existing competitors or new entrants into our market, and changes in pricing for solutions offered by us or our competitors;
- the rate of renewal of subscriptions, and extent of expansion of assets under such subscriptions, with existing customers;
- the mix of customers licensing our products on a subscription basis as compared to a perpetual license;
- large customers failing to renew their subscriptions;
- the size, timing and terms of our subscription agreements with new customers;
- our ability to interoperate our solutions with our customers' network and security infrastructure;
- the timing and growth of our business, in particular through our hiring of new employees and international expansion;
- network outages, security breaches, technical difficulties or interruptions with our solutions;
- changes in the growth rate of the markets in which we compete;
- the length of the license term, amount prepaid and other material terms of subscriptions to our solutions sold during a period;
- customers delaying purchasing decisions in anticipation of new developments or enhancements by us or our competitors or otherwise;
- changes in customers' budgets;
- seasonal variations related to sales and marketing and other activities, such as expenses related to our customers;
- our ability to increase, retain and incentivize the channel partners that market and sell our solutions;
- our ability to integrate our solutions with our ecosystem partners' technology;
- our brand and reputation;
- the timing of our adoption of new or revised accounting pronouncements applicable to public companies and the impact on our results of operations;
- our ability to control costs, including our operating expenses;
- our ability to hire, train and maintain our direct sales force;
- unforeseen litigation and intellectual property infringement;
- fluctuations in our effective tax rate; and
- general economic and political conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers operate.

Any one of these or other factors discussed elsewhere in this prospectus, or the cumulative effect of some of these factors, may result in fluctuations in our revenue and operating results, meaning that quarter-to-quarter comparisons of our revenue, results of operations and cash flows may not necessarily be indicative of our future performance and may cause us to miss our guidance and analyst expectations and may cause our stock price to decline.

In addition, we have historically experienced seasonality in entering into agreements with customers. We typically enter into a significantly higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the third and fourth quarters. The increase in customer agreements for the third quarter is primarily attributable to U.S. government and related agencies, and the increase in the fourth quarter is primarily attributable to large enterprise account buying patterns typical in the software industry. We expect that seasonality will continue to affect our operating results in the future and may reduce our ability to predict cash flow and optimize the timing of our operating expenses.

We face intense competition.

The market for cybersecurity solutions is fragmented, intensely competitive and constantly evolving. We compete with a range of established and emerging cybersecurity software and services vendors, as well as homegrown solutions. With the introduction of new technologies and market entrants, we expect the competitive environment to remain intense going forward. Our competitors include: vulnerability management and assessment vendors, including Qualys and Rapid7; diversified security software and services vendors, including IBM; endpoint security vendors with nascent vulnerability assessment capabilities, including Tanium and CrowdStrike; and providers of point solutions that compete with some of the features present in our solutions. We also compete against internally-developed efforts that often use open source solutions.

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

Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. With the introduction of new technologies, the evolution of our offerings and new market entrants, we expect competition to intensify in the future. In addition, some of our larger competitors have substantially broader product offerings and can bundle competing products and services with other software offerings. As a result, customers may choose a bundled product offering from our competitors, even if individual products have more limited functionality than our solutions. These competitors may also offer their products at a lower price as part of this larger sale, which could increase pricing pressure on our offerings and cause the average sales price for our offerings to decline. These larger competitors are also often in a better position to withstand any significant reduction in capital spending, and will therefore not be as susceptible to economic downturns. One component of our enterprise platform involves assessing Cyber Exposure in a public cloud environment. We are dependent upon the public cloud providers to allow our solutions to access their cloud offerings. If one or more cloud providers elected to offer exclusively their own cloud security product or otherwise eliminate the ability of our solutions to access their cloud on behalf of our customers, our business and financial results could be harmed.

Furthermore, our current and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and products and services offerings in the markets we address. In addition, current or potential competitors may be acquired by third parties with greater available resources. As a result of such relationships and acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products and services, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their product and service offerings more quickly than we do. For all of these reasons, we may not be able to compete successfully against our current or future competitors.

If we do not continue to innovate and offer solutions that address the dynamic cybersecurity landscape, we may not remain competitive.

The cybersecurity market is characterized by very rapid technological advances, changes in customer requirements, frequent new product introductions and enhancements and evolving industry standards. Our success also depends on continued innovation to provide features that make our solutions responsive to the cybersecurity landscape. While we continue to invest significant resources in research and development in order to ensure that our solutions continue to address the cyber security risks that our customers face, the introduction of solutions and services embodying new technologies could render our existing solutions or services obsolete or less attractive to customers. In addition, developing new solutions and product enhancements is expensive and time-consuming, and there is no assurance that such activities will result in significant cost savings, revenue or other expected benefits. For example, we plan to release a new product, Tenable.io Lumin, in late 2018, and there can be no assurance that product will offer the benefits we expect or generate customer interest. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected. Further, we may not be able to successfully anticipate or adapt to changing technology or customer requirements or the dynamic threat landscape on a timely basis, or at all, which would impair our ability to execute on our business strategy.

Our business and results of operations depend substantially on our customers renewing their subscriptions with us and expanding the number of IT assets or IP addresses under their subscriptions. Any decline in our customer renewals, terminations or failure to convince our customers to expand their use of subscription offerings would harm our business, results of operations, and financial condition.

Our subscription offerings are term-based and a majority of our subscription contracts entered into in 2017 were for one year in duration. In order for us to maintain or improve our results of operations, it is important that a high percentage of our customers renew their subscriptions with us when the existing subscription term expires, and renew on the same or more favorable terms. Our customers have no obligation to renew their subscriptions, and we may not be able to accurately predict customer renewal rates. In addition, the growth of our business depends in part on our customers expanding their use of subscription offerings and related services. Historically, some of our customers have elected not to renew their subscriptions with us for a variety of reasons, including as a result of changes in their strategic IT priorities, budgets, costs and, in some instances, due to competing solutions. Our retention rate may also decline or fluctuate as a result of a number of other factors, including our customers' satisfaction or dissatisfaction with our software, the increase in the contract value of subscription and support contracts from new customers, the effectiveness of our customer support services, our pricing, the prices of competing products or services, mergers and acquisitions affecting our customer base, global economic conditions, and the other risk factors described in this prospectus. Additionally, many of our customers, including certain top customers, have the right to terminate their agreements with us for convenience and for other reasons. Early termination of customer agreements would generally only allow us to retain fees already paid by the customer for services rendered prior to the termination. As a result, we cannot assure you that customers will maintain their agreements with us, renew subscriptions or increase their usage of our software. If our customers do not maintain or renew their subscriptions or renew on less favorable terms, or if we are unable to expand our customers' use of our software, our business, results of operations, and financial condition may be harmed.

In addition, a small number of customers and partners could take the position that provisions in their customer agreements give them the right to terminate their agreement with us, or allege a material breach of their agreement with us, due to or in connection with the sale of our common stock. Termination of these agreements, or allegations that we have breached one of these agreements with them, could decrease our customer revenue and increase legal and administrative costs.

Our brand, reputation and ability to attract, retain and serve our customers are dependent in part upon the reliable performance of our solutions and network infrastructure.

We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints and fraud or cybersecurity attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time.

Prolonged delays or unforeseen difficulties in connection with adding capacity or upgrading our network architecture when required may cause our service quality to suffer. Problems with the reliability or security of our systems could harm our reputation. Damage to our reputation and the cost of remedying these problems could negatively affect our business, financial condition, and operating results.

Any disruptions or other performance problems with our solutions could harm our reputation and business and may damage our customers' businesses. Interruptions in our service delivery might reduce our revenue, cause us to issue credits to customers, subject us to potential liability and cause customers to not renew their purchases of our solutions.

We must maintain and enhance our brand.

We believe that developing and maintaining widespread awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our enterprise platform and attracting new customers. Brand promotion activities may not generate customer awareness or increase revenue and, even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our solutions.

We rely on third parties to maintain and operate certain elements of our network infrastructure.

We utilize data centers located in North America, Europe and Asia to operate and maintain certain elements of our own network infrastructure. Some elements of this complex system are operated by third parties that we do not control and that could require significant time to replace. We expect this dependence on third parties to continue. For example, Tenable.io is hosted on Amazon Web Services, or AWS, which provides us with computing and storage capacity. Interruptions in our systems or the third-party systems on which we rely, particularly AWS, whether due to system failures, computer viruses, physical or electronic break-ins or other factors, could affect the security or availability of our solutions, network infrastructure and website.

Our existing data center facilities and third-party hosting providers have no obligations to renew their agreements with us on commercially reasonable terms or at all, and certain of the agreements governing these relationships may be terminated by either party at any time, with no or limited notice. For example, our agreement with AWS allows AWS to terminate the agreement with 30 days' written notice. Although we expect that we could receive similar services from other third parties, if any of our arrangements with third parties, including AWS, are terminated, we could experience interruptions on our platform and in our ability to make our platform available to customers, as well as downtime, delays and additional expenses in arranging alternative cloud infrastructure services.

It is possible that our customers and potential customers would hold us accountable for any breach of security affecting third parties' infrastructure. We may incur significant liability from those customers and from third parties with respect to any such breach. Because our agreement with AWS limits their liability for damages, we may not be able to recover a material portion of our liabilities to our customers and third parties from AWS in the event of any breach affecting AWS systems.

If we continue to grow, we may not be able to manage our growth effectively.

We have recently experienced a period of rapid growth in our headcount and operations. In particular, we grew from 751 employees as of December 31, 2016 to 984 employees as of December 31, 2017. We have also significantly increased the size of our customer base over the last several years. We anticipate that we will continue to significantly expand our operations and headcount in the near term. Our growth has placed, and future growth will place, a significant strain on our management, administrative, operational and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. Failure to effectively manage our growth could result in difficulty or delays in deploying our solutions and services to customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties. Any of these difficulties could adversely impact our business performance and results of operations.

Our rapid growth also makes it difficult to evaluate our future prospects. Our ability to forecast our future operating results is subject to a number of uncertainties, including our ability to plan for and model future growth. If our assumptions regarding these uncertainties, which we use to plan our business, are incorrect or change in reaction to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, our business could suffer and the trading price of our stock may decline.

Organizations may be reluctant to purchase our enterprise platform offerings that are cloud-based due to the actual or perceived vulnerability of cloud solutions.

Some organizations have been reluctant to use cloud-based solutions for cybersecurity because they have concerns regarding the risks associated with the reliability or security of the technology delivery model associated with these solutions. If we or other software companies with cloud-based offerings experience security incidents, breaches of customer data, disruptions in service delivery or other problems, the market for cloud-based solutions as a whole may be negatively impacted, which in turn would negatively impact our revenue and our growth prospects.

Our sales cycle is long and unpredictable.

The timing of sales of our offerings is difficult to forecast because of the length and unpredictability of our sales cycle, particularly with large enterprises and with respect to certain of our solutions. We sell our solutions primarily to IT departments that are managing a growing set of user and compliance demands, which has increased the complexity of customer requirements to be met and confirmed during the sales cycle and prolonged our sales cycle. Our average sales cycle with an enterprise customer is approximately four months. Further, the length of time that potential customers devote to their testing and evaluation, contract negotiation and budgeting processes varies significantly, depending on the size of the organization and nature of the product or service under consideration. In addition, we might devote substantial time and effort to a particular unsuccessful sales effort, and as a result, we could lose other sales opportunities or incur expenses that are not offset by an increase in revenue, which could harm our business.

We rely on our third-party channel partner network of distributors and resellers to generate a substantial amount of our revenue.

Our success is dependent in part upon establishing and maintaining relationships with a variety of channel partners that we utilize to extend our geographic reach and market penetration. We use a two-tiered, indirect fulfillment model whereby we sell our products and services to our distributors, which in turn sell to our resellers, which then sell to our end users, which we call customers. We anticipate that we will continue to rely on this two-tiered sales model in order to help facilitate sales of our offerings as part of larger purchases in the

United States and to grow our business internationally. In 2016 and 2017, we derived 80% and 83%, respectively, of our revenue from subscriptions and perpetual licenses sold through channel partners, and the percentage of revenue derived from channel partners may increase in future periods. Ingram Micro, Inc., a distributor, accounted for 42% and 45% of our revenue in 2016 and 2017, respectively, and 51% of our accounts receivable as of December 31, 2016 and 2017. Our agreements with our channel partners are non-exclusive and do not prohibit them from working with our competitors or offering competing solutions, and some of our channel partners may have more established relationships with our competitors. If our channel partners choose to place greater emphasis on products of their own or those offered by our competitors or a result of an acquisition, competitive factors or other reasons do not continue to market and sell our solutions in an effective manner or at all, our ability to grow our business and sell our solutions, particularly in key international markets, may be adversely affected. In addition, our failure to recruit additional channel partners, or any reduction or delay in their sales of our solutions and professional services or conflicts between channel sales and our direct sales and marketing activities may harm our results of operations. Finally, even if we are successful, our relationships with channel partners may not result in greater customer usage of our solutions and professional services or increased revenue.

A portion of our revenue is generated from subscriptions and perpetual licenses sold to domestic governmental entities, foreign governmental entities and other heavily regulated organizations, which are subject to a number of challenges and risks.

A portion of our revenue is generated from subscriptions and perpetual licenses sold to governmental entities in the United States. Additionally, many of our current and prospective customers, such as those in the financial services, energy, insurance and healthcare industries, are highly regulated and may be required to comply with more stringent regulations in connection with subscribing to and implementing our enterprise platform. Selling licenses to these entities can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that we will successfully complete a sale. Governmental demand and payment for our enterprise platform may also be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our enterprise platform. In addition, governmental entities have the authority to terminate contracts at any time for the convenience of the government, which creates risk regarding revenue anticipated under our existing government contracts.

Further, governmental and highly regulated entities often require contract terms that differ from our standard customer arrangements, including terms that can lead to those customers obtaining broader rights in our solutions than would be expected under a standard commercial contract and terms that can allow for early termination. The U.S. government will be able to terminate any of its contracts with us either for its convenience or if we default by failing to perform in accordance with the contract schedule and terms. Termination for convenience provisions would generally enable us to recover only our costs incurred or committed, settlement expenses, and profit on the work completed prior to termination. Termination for default provisions do not permit these recoveries and would make us liable for excess costs incurred by the U.S. government in procuring undelivered items from another source. Contracts with governmental and highly regulated entities may also include preferential pricing terms. In the United States, federal government agencies may promulgate regulations, and the President may issue executive orders, requiring federal contractors to adhere to different or additional requirements after a contract is signed. If we do not meet applicable requirements of law or contract, we could be subject to significant liability from our customers or regulators. Even if we do meet these requirements, the additional costs associated with providing our enterprise platform to government and highly regulated customers could harm our operating results. Moreover, changes in the underlying statutory and regulatory conditions that affect these types of customers could harm our ability to efficiently provide them access to our enterprise platform and to grow or maintain our customer base. In addition, engaging in sales activities to foreign governments introduces additional compliance risks, including risks specific to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.K. Bribery Act 2010 and other similar statutory requirements prohibiting bribery and corruption in the jurisdictions in which we operate.

Some of our revenue is derived from contracts with U.S. government entities, as well as subcontracts with higher-tier contractors. As a result, we are subject to federal contracting regulations, including the Federal Acquisition Regulation, or the FAR. Under the FAR, certain types of contracts require pricing that is based on estimated direct and indirect costs, which are subject to change.

In connection with our U.S. government contracts, we may be subject to government audits and review of our policies, procedures, and internal controls for compliance with contract terms, procurement regulations, and applicable laws. In certain circumstances, if we do not comply with the terms of a contract or with regulations or statutes, we could be subject to contract termination or downward contract price adjustments or refund obligations, could be assessed civil or criminal penalties, or could be debarred or suspended from obtaining future government contracts for a specified period of time. Any such termination, adjustment, sanction, debarment or suspension could have an adverse effect on our business.

In the course of providing our solutions and professional services to governmental entities, our employees and those of our channel partners may be exposed to sensitive government information. Any failure by us or our channel partners to safeguard and maintain the confidentiality of such information could subject us to liability and reputational harm, which could materially and adversely affect our results of operations and financial performance.

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

Subscriptions and perpetual licenses to our enterprise platform are generally priced based on the number of IP addresses that can be monitored, or the total IT assets that can be monitored. We expect that we may need to change our pricing from time to time. As competitors introduce new products that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. We also must determine the appropriate price to enable us to compete effectively internationally. Moreover, mid- to large-size enterprises may demand substantial price discounts as part of the negotiation of sales contracts. As a result, we may be required or choose to reduce our prices or change our pricing model, which could adversely affect our business, operating results and financial condition.

Our pricing model subjects us to various challenges that could make it difficult for us to derive expected value from our customers.

Our enterprise platform offerings are generally priced based on the number of IT assets or IP addresses that a customer chooses to monitor. As the amount of IT assets or IP addresses within our customers' organizations grows, we may face pressure from our customers regarding our pricing, which could adversely affect our revenue and operating margins.

Our subscription agreements and perpetual licenses generally provide that we can audit our customers' use of our offerings to ensure compliance with the terms of such agreement or license and monitor an increase in IP assets and IP addresses being monitored. However, a customer may resist or refuse to allow us to audit their usage, in which case we may have to pursue legal recourse to enforce our rights under the agreement or license, which would require us to spend money, distract management and potentially adversely affect our relationship with our customers and users.

If our enterprise platform offerings do not achieve sufficient market acceptance, our results of operations and competitive position will suffer.

We spend substantial amounts of time and money to research and develop and enhance our enterprise platform offerings to meet our customers' rapidly evolving demands. In addition, we invest in efforts to continue to add capabilities to our existing products and enable the continued detection of new network vulnerabilities. We typically incur expenses and expend resources upfront to market, promote and sell our new and enhanced

offerings. Therefore, when we develop and introduce new or enhanced offerings, they must achieve high levels of market acceptance in order to justify the amount of our investment in developing and bringing them to market. For example, if Tenable.io does not garner widespread market adoption and implementation, our operating results and competitive position could suffer.

Further, we may make enhancements to our offerings that our customers do not like, find useful or agree with. We may also discontinue certain features, begin to charge for certain features that are currently free or increase fees for any of our features or usage of our offerings.

Our new offerings or enhancements and changes to our existing offerings could fail to attain sufficient market acceptance for many reasons, including:

- failure to predict market demand accurately in terms of functionality and to supply offerings that meets this demand in a timely fashion;
- defects, errors or failures;
- negative publicity about their performance or effectiveness;
- delays in releasing our new offerings or enhancements to our existing offerings to the market;
- introduction or anticipated introduction of competing products by our competitors;
- poor business conditions for our customers, causing them to delay IT purchases; and
- reluctance of customers to purchase cloud-based offerings.

If our new or enhanced offerings do not achieve adequate acceptance in the market, our competitive position will be impaired, and our revenue will be diminished. The adverse effect on our operating results may be particularly acute because of the significant research, development, marketing, sales and other expenses we will have incurred in connection with the new or enhanced offerings.

Our strategy of offering and deploying our solutions in the cloud, on-premises environments or using a hybrid approach causes us to incur increased expenses and may pose challenges to our business.

We offer and sell our enterprise platform for use in the cloud, on-premises environments or using a hybrid approach using the customer's own infrastructure. Our cloud offering enables our customers to eliminate the burden of provisioning and maintaining infrastructure and to scale their usage of our solutions quickly, while our on-premises offering allows for the customer's complete control over data security and software infrastructure. Historically, our solutions were developed in the context of the on-premises offering, and we have less operating experience offering and selling subscriptions to our solutions via our cloud offering. Although a substantial majority of our revenue has historically been generated from customers using our solutions on an on-premises basis, our customers are increasingly adopting our cloud offering. We expect that our customers will continue to move to our cloud offering and that it will become more central to our distribution model. We expect our gross profit to increase in absolute dollars and our gross margin to decrease to the extent that revenue from our cloud-based subscriptions increases as a percentage of total revenue, although our gross margin could fluctuate from period to period. To support both on-premises environments and cloud instances of our product, our support team must be trained on and learn multiple environments in which our solution is deployed, which is more expensive than supporting only a cloud offering. Moreover, we must engineer our software for an on-premises environment, cloud offering and hybrid installation, which we expect will cause us additional research and development expense that may impact our operating results. As more of our customers transition to the cloud, we may be subject to additional competitive pressures, which may harm our business. We are directing a significant portion of our financial and operating resources to implement a robust and secure cloud offering for our customers, but even if we continue to make these investments, we may be unsuccessful in growing or implementing our cloud offering in a way that competes successfully against our current and future competitors and our business, results of operations and financial condition could be harmed.

Our customers' increased usage of our cloud-based offerings requires us to continually improve our computer network and infrastructure to avoid service interruptions or slower system performance.

As usage of our cloud-based offerings grows and as customers use them for more complicated applications, increased assets and with increased data requirements, we will need to devote additional resources to improving our platform architecture and our infrastructure in order to maintain the performance of our cloud offering. Any failure or delays in our computer systems could cause service interruptions or slower system performance. If sustained or repeated, these performance issues could reduce the attractiveness of our enterprise platform to customers. These performance issues could result in lost customer opportunities and lower renewal rates, any of which could hurt our revenue growth, customer loyalty and reputation.

A component of our growth strategy is dependent on our continued international expansion, which adds complexity to our operations.

We market and sell our solutions and professional services throughout the world and have personnel in many parts of the world. International operations generated 31% of our revenue in 2017. Our growth strategy is dependent, in part, on our continued international expansion. We expect to conduct a significant amount of our business with organizations that are located outside the United States, particularly in Europe and Asia. We cannot assure that our expansion efforts into international markets will be successful in creating further demand for our solutions and professional services outside of the United States or in effectively selling our solutions and professional services in the international markets that we enter. Our current international operations and future initiatives will involve a variety of risks, including:

- increased management, infrastructure and legal costs associated with having international operations;
- reliance on channel partners;
- trade and foreign exchange restrictions;
- economic or political instability in foreign markets, including instability related to the United Kingdom's referendum in June 2016 in which voters approved an exit from the European Union, commonly referred to as "Brexit";
- greater difficulty in enforcing contracts, accounts receivable collection and longer collection periods;
- changes in regulatory requirements, including, but not limited to data privacy, data protection and data security regulations;
- difficulties and costs of staffing, managing and potentially reorganizing foreign operations;
- the uncertainty and limitation of protection for intellectual property rights in some countries;
- costs of compliance with foreign laws and regulations and the risks and costs of non-compliance with such laws and regulations;
- costs of compliance with U.S. laws and regulations for foreign operations, including the FCPA, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell or provide our solutions in certain foreign markets, and the risks and costs of non-compliance;
- requirements to comply with foreign privacy, data protection and information security laws and regulations and the risks and costs of noncompliance;
- heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, and irregularities in, financial statements;
- the potential for political unrest, acts of terrorism, hostilities or war;

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- management communication and integration problems resulting from cultural differences and geographic dispersion;
- costs associated with language localization of our solutions; and
- costs of compliance with multiple and possibly overlapping tax structures.

Our business, including the sales of our solutions and professional services by us and our channel partners, may be subject to foreign governmental regulations, which vary substantially from country to country and change from time to time. Our failure, or the failure by our channel partners, to comply with these regulations could adversely affect our business. Further, in many foreign countries it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. regulations applicable to us. Although we have implemented policies and procedures designed to comply with these laws and policies, there can be no assurance that our employees, contractors, channel partners and agents have complied, or will comply, with these laws and policies. Violations of laws or key control policies by our employees, contractors, channel partners or agents could result in delays in revenue recognition, financial reporting misstatements, fines, penalties or the prohibition of the importation or exportation of our solutions and could have a material adverse effect on our business and results of operations. If we are unable to successfully manage the challenges of international expansion and operations, our business and operating results could be adversely affected.

We rely on the performance of highly skilled personnel, including senior management and our engineering, professional services, sales and technology professionals.

We believe our success has depended, and continues to depend, on the efforts and talents of our senior management team and our highly skilled team members, including our sales personnel, professional services personnel and software engineers. We do not maintain key man insurance on any of our executive officers or key employees. From time to time, there may be changes in our senior management team resulting from the termination or departure of our executive officers and key employees. Our senior management and key employees are employed on an at-will basis, which means that they could terminate their employment with us at any time. The loss of any of our senior management or key employees could adversely affect our ability to build on the efforts they have undertaken and to execute our business plan, and we may not be able to find adequate replacements. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees.

Our ability to successfully pursue our growth strategy also depends on our ability to attract, motivate and retain our personnel. Competition for well-qualified employees in all aspects of our business, including sales personnel, professional services personnel and software engineers, is intense. Our recruiting efforts focus on elite universities and our primary recruiting competition are well-known, high-paying firms. Our continued ability to compete effectively depends on our ability to attract new employees and to retain and motivate existing employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business would be adversely affected.

We must effectively develop and expand our sales and marketing capabilities.

Our ability to increase our customer base and achieve broader market acceptance of our Cyber Exposure solutions will depend to a significant extent on our ability to expand our sales and marketing operations. We plan to continue expanding our sales force and our third-party channel partner network of distributors and resellers both domestically and internationally; however, there is no assurance that we will be successful in attracting and retaining talented sales personnel or strategic partners or that any new sales personnel or strategic partners will be able to achieve productivity in a reasonable period of time or at all. We also plan to dedicate significant resources to sales and marketing programs, including through electronic marketing campaigns and trade event sponsorship and participation. All of these efforts will require us to invest significant financial and other resources and our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue.

We must offer high-quality support.

Our customers rely on our personnel for support of our enterprise platform. High-quality support is important for the renewal of our agreements with existing customers and to our existing customers expanding the number of IP addresses or assets under their subscriptions. The importance of high-quality support will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to sell new software to existing and new customers would suffer and our reputation with existing or potential customers would be harmed.

Our growth depends in part on the success of our strategic relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on relationships with strategic partners to provide broader customer coverage and solution delivery capabilities. We depend on partnerships with market leading technology companies to maintain and expand our Cyber Exposure ecosystem by integrating third party data into our platform. For example, we developed our Industrial Security solution in partnership with Siemens. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Our agreements with our strategic partners generally are non-exclusive and do not prohibit them from working with our competitors or offering competing solutions. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our services. If our partners choose to place greater emphasis on products of their own or those offered by our competitors or do not effectively market and sell our product, our ability to grow our business and sell software and professional services may be adversely affected. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential customers, as our partners may no longer facilitate the adoption of our solutions by potential customers.

If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our solutions or increased revenue.

Catastrophic events may disrupt our business.

Our corporate headquarters are located in Columbia, Maryland. The area around Washington, D.C. could be subject to terrorist attacks. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems and our website for our development, marketing, operational support, hosted services and sales activities. In the event of a major hurricane, earthquake or catastrophic event such as fire, power loss, telecommunications failure, cyberattack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our software development, lengthy interruptions in our services, breaches of data security and loss of critical data, all of which could have an adverse effect on our future operating results.

Future acquisitions could disrupt our business and adversely affect our business operations and financial results.

We have in the past acquired products and technologies from other parties, and we may choose to expand our current business by acquiring additional businesses or technologies in the future. Acquisitions involve many risks, including the following:

- an acquisition may negatively affect our financial results because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;

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- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of customer purchases for both us and the company acquired due to customer uncertainty about continuity and effectiveness of service from either company;
- we may encounter difficulties in, or may be unable to, successfully sell any acquired solutions;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- our use of cash to pay for an acquisition would limit other potential uses for our cash; and
- if we incur debt to fund such acquisition, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants.

The occurrence of any of these risks could have a material adverse effect on our business operations and financial results. In addition, we may only be able to conduct limited due diligence on an acquired company's operations. Following an acquisition, we may be subject to unforeseen liabilities arising from an acquired company's past or present operations and these liabilities may be greater than the warranty and indemnity limitations that we negotiate. Any unforeseen liability that is greater than these warranty and indemnity limitations could have a negative impact on our financial condition.

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

We expect that our existing cash and cash equivalents, together with the net proceeds that we receive in this offering, will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. However, we intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our product, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Our loan and security agreement with Silicon Valley Bank includes restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions, and any debt financing that we secure in the future could have similar restrictive covenants. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely affected.

The nature of our business requires the application of complex revenue recognition rules. Significant changes in current principles will affect our consolidated financial statements and changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and harm our results of operations.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Financial Accounting Standards Board, or FASB, the Securities and Exchange Commission, or SEC, and

various bodies formed to promulgate and interpret appropriate accounting principles. In addition, many companies' accounting disclosures are being subjected to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could impact our financial statements.

For example, in May 2014, the FASB issued new accounting guidance on revenue recognition in the form of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, or ASC 606. The core principle of ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We early adopted ASC 606 as of January 1, 2017. The most significant impact of adopting ASC 606 was the deferral of perpetual license revenue over an estimated economic life, including estimated maintenance renewal periods, whereas under previous guidance we recognized perpetual license revenue upon delivery of the perpetual license. The impact of the adoption of ASC 606 on our 2017 revenue was a net increase of \$3.5 million after giving effect to the recognition of perpetual license revenue from prior year sales and the deferral of perpetual license revenue from 2017 sales. Additionally, the incremental costs of obtaining a contract with a customer are deferred and will be amortized over a longer estimated period of benefit, whereas under previous guidance such costs were recognized immediately or amortized over the contract term.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States, or U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include estimated economic life of perpetual licenses for revenue recognition, the estimated period of benefit for deferred commissions, income taxes and the related valuation allowance and stock-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial position and profit, or cause an adverse deviation from our revenue and operating profit target, which may negatively impact our financial results.

Our operating results may be negatively affected if we are required to pay additional state sales tax, value added, or other transaction taxes, and we could be subject to liability with respect to all or a portion of past or future sales.

We currently collect and remit sales and use, value added and other transaction taxes in certain of the jurisdictions where we do business based on our assessment of the amount of taxes owed by us in such jurisdictions. However, in some jurisdictions in which we do business, we do not believe that we owe such taxes, and therefore we currently do not collect and remit such taxes in those jurisdictions or record contingent tax liabilities in respect of those jurisdictions.

Further, due to uncertainty in the application and interpretation of applicable tax laws in various jurisdictions, we may be exposed to sales and use, value added or other transaction tax liability. A successful assertion that we are required to pay additional taxes in connection with sales of our solutions, or the imposition of new laws or regulations requiring the payment of additional taxes, would create increased costs and administrative burdens for us. If we are subject to additional taxes and determine to offset such increased costs by collecting and remitting sales taxes from our customers, or otherwise passing those costs through to our customers, companies may be discouraged from using our solutions. Any increased tax burden may decrease our ability or willingness to compete in relatively burdensome tax jurisdictions, result in substantial tax liabilities related to past sales or otherwise harm our business and operating results.

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

As of December 31, 2017 we had federal, state and foreign net operating loss carryforwards, or NOLs, of \$103.7 million, \$38.6 million, and \$18.4 million, respectively, available to offset future taxable income, which begin to expire in 2030. A lack of future taxable income would adversely affect our ability to utilize these NOLs before they expire.

In addition, under the provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, substantial changes in our ownership may limit the amount of pre-change NOLs that can be utilized annually in the future to offset taxable income. Section 382 of the Internal Revenue Code imposes limitations on a company's ability to use NOLs if a company experiences a more-than-50-percent ownership change over a three-year testing period. Based upon our analysis as of December 31, 2017, we have determined that we do not expect these limitations to impair our ability to use our NOLs prior to expiration. However, if changes in our ownership occur in the future, our ability to use our NOLs may be further limited. For these reasons, we may not be able to utilize a material portion of the NOLs, even if we achieve profitability.

Uncertainties in the interpretation and application of the 2017 Tax Cuts and Jobs Act could materially affect our tax obligations and effective tax rate.

Forecasts of our income tax position and effective tax rate for financial accounting purposes are complex and subject to uncertainty because our income tax position for each year combines the effects of a mix of profits earned and losses incurred by us in various tax jurisdictions with a broad range of income tax rates, as well as changes in the valuation of deferred tax assets and liabilities, the impact of various accounting rules and changes to these rules and tax laws, the results of examinations by various tax authorities, and the impact of any acquisition, business combination or other reorganization or financing transaction. To forecast our global tax rate, we estimate our pre-tax profits and losses by jurisdiction and forecast our tax expense by jurisdiction. If the mix of profits and losses, our ability to use tax credits, our assessment of the need for valuation allowances, or effective tax rates by jurisdiction is different than those estimated, our actual tax rate could be materially different than forecasted, which could have a material impact on our results of business, financial condition and results of operations.

On December 22, 2017, U.S. Federal tax reform was enacted with the signing of the Tax Cuts and Jobs Act, or TCJA. Notable provisions of the TCJA include significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense to 30% of adjusted earnings (except for certain small businesses), limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, one time taxation of offshore earnings at reduced rates regardless of whether they are repatriated, elimination of U.S. tax on foreign earnings (subject to certain important exceptions), immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modifying or repealing many business deductions and credits.

While the changes from the TCJA are generally effective beginning in 2018, U.S. GAAP accounting for income taxes requires the effect of a change in tax laws or rates to be recognized in income from continuing operations for the period that includes the enactment date. Due to the complexities involved in accounting for the enactment of the TCJA, the Securities and Exchange Commission published Staff Accounting Bulletin No. 118, which allows us to record provisional amounts in earnings for the year ended December 31, 2017. Where reasonable estimates can be made, the provisional accounting should be based on such estimates. When no reasonable estimate can be made, the provisional accounting may be based on the tax law in effect before the TCJA. We are required to complete our tax accounting for the TCJA in the period when we have obtained, prepared, and analyzed the information to complete the income tax accounting, or by December 22, 2018, whichever date comes first.

We have not completed our accounting for the tax effects of enactment of the TCJA; however, as we describe in Note 10 to our consolidated financial statements appearing elsewhere in this prospectus, we have made reasonable estimates of the effects of the TCJA in certain cases in our financial statements that are included as a component of income tax expense. The U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how we will apply the law and impact our results of operations in the period issued. As additional regulatory guidance is issued by the applicable taxing authorities, as accounting treatment is clarified, as we perform additional analysis on the application of the law, and as we refine estimates in calculating the effect, our final analysis, which will be recorded in the period completed, may be different from our current provisional amounts, which could materially affect our tax obligations and effective tax rate.

We are subject to anti-corruption laws, anti-bribery and similar laws with respect to our domestic and international operations, and non-compliance with such laws can subject us to criminal and/or civil liability and materially harm our business and reputation.

We are subject to the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the U.K. Bribery Act 2010, and other anti-corruption laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit our company from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We use third-party law firms, accountants, and other representatives for regulatory compliance, sales, and other purposes in several countries. We sell directly and indirectly, via third-party representatives, to the U.S. and non-U.S. government sectors, and our employees and third-party representatives interact with government officials. We can be held liable for the corrupt or other illegal activities of these third-party representatives, our employees, contractors, and other agents, even if we do not explicitly authorize such activities. Noncompliance with these laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our reputation, business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. Enforcement actions and sanctions could further harm our business, results of operations, and financial condition. Moreover, as an issuer of securities, we also are subject to the accounting and internal controls provisions of the FCPA. These provisions require us to maintain accurate books and records and a system of internal controls sufficient to detect and prevent corrupt conduct. Failure to abide by these provisions may have an adverse effect on our business, operations or financial condition.

We are subject to governmental export and import controls and economic and trade sanctions that could impair our ability to conduct business in international markets and subject us to liability if we are not in compliance with applicable laws and regulations.

The United States and other countries maintain and administer export and import laws and regulations. Our products are subject to U.S. export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control. We are required to comply with these laws and regulations. If we fail to comply with such laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. In addition, changes in our solutions, or changes in applicable export or import laws and regulations may create delays in the introduction and sale of our products in international markets or, in some cases, prevent the export or import of our solutions to certain countries, governments or persons altogether. Any change in export or import laws and regulations or economic or trade sanctions, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations could also result in decreased use of our products, or in our decreased ability to export or sell our products to existing or potential customers. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition, and results of operations.

Furthermore, we incorporate encryption technology into certain of our solutions. Various countries regulate the import of certain encryption technology, including import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our solutions or could limit our customers' ability to implement our solutions in those countries. Encrypted products and the underlying technology may also be subject to export control restrictions. Governmental regulation of encryption technology and regulation of imports or exports of encryption solutions, or our failure to obtain required import or export approval for our solutions, could harm our international sales and adversely affect our revenue. Compliance with applicable laws and regulations regarding the export and import of our solutions, including with respect to new solutions or changes in existing solutions, may create delays in the introduction of our solutions in international markets, prevent our customers with international operations from deploying our solutions globally or, in some cases, could prevent the export or import of our solutions to certain countries, governments, entities or persons altogether.

Moreover, U.S. export control laws and economic sanctions programs prohibit the shipment of certain products and services to countries, governments and persons that are subject to U.S. economic embargoes and trade sanctions. Any violations of such economic embargoes and trade sanction regulations could have negative consequences, including government investigations, penalties and reputational harm.

Risks Related to Government Regulation, Data Collection and Intellectual Property

Our business could be adversely affected if our employees cannot obtain and maintain required security clearances or we cannot establish and maintain a required facility security clearance.

Certain U.S. government contracts may require our employees to maintain various levels of security clearances, and may require us to maintain a facility security clearance, to comply with Department of Defense, or DoD, requirements. The DoD has strict security clearance requirements for personnel who perform work in support of classified programs. Obtaining and maintaining security clearances for employees involves a lengthy process, and it is difficult to identify, recruit and retain employees who already hold security clearances. If our employees are unable to obtain security clearances in a timely manner, or at all, or if our employees who hold security clearances are unable to maintain their clearances or terminate employment with us, then a customer

requiring classified work could terminate an existing contract or decide not to renew the contract upon its expiration. To the extent we are not able to obtain or maintain a facility security clearance, we may not be able to bid on or win new classified contracts, and existing contracts requiring a facility security clearance could be terminated.

Any failure to protect our proprietary technology and intellectual property rights could substantially harm our business and operating results.

Our success and ability to compete depend in part on our ability to protect our proprietary technology and intellectual property. To safeguard these rights, we rely on a combination of patent, trademark, copyright and trade secret laws and contractual protections in the United States and other jurisdictions, all of which provide only limited protection and may not now or in the future provide us with a competitive advantage.

As of December 31, 2017, we had 13 issued patents and four patent applications pending in the United States relating to our technology. We cannot assure you that any patents will issue from any patent applications, that patents that issue from such applications will give us the protection that we seek or that any such patents will not be challenged, invalidated or circumvented. Any patents that may issue in the future from our pending or future patent applications may not provide sufficiently broad protection and may not be enforceable in actions against alleged infringers. Obtaining and enforcing software patents in the United States is becoming increasingly challenging. Any patents we have obtained or may obtain in the future may be found to be invalid or unenforceable in light of recent and future changes in the law. We have registered the “Tenable,” “Nessus” and “Tenable.io” names and our Tenable logo in the United States and certain other countries. We have registrations and/or pending applications for additional marks in the United States; however, we cannot assure you that any future trademark registrations will be issued for pending or future applications or that any registered trademarks will be enforceable or provide adequate protection of our proprietary rights. While we have copyrights in our software we do not typically register such copyrights with the Copyright Office. This failure to register the copyrights in our software may preclude us from obtaining statutory damages for infringement under certain circumstances. We also license software from third parties for integration into our software, including open source software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

In order to protect our unpatented proprietary technologies and processes, we rely on trade secret laws and confidentiality and invention assignment agreements with our employees, consultants, strategic partners, vendors and others. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, copy, reverse engineer or otherwise obtain and use them. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights, or develop similar technologies and processes. Further, several agreements may give customers limited rights to access portions of our proprietary source code, and the contractual provisions that we enter into may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or intellectual property rights. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property is difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. To the extent that we expand our activities outside of the United States, our exposure to unauthorized copying and use of our solutions and proprietary information may increase. We may be unable to determine the extent of any unauthorized use or infringement of our solutions, technologies or intellectual property rights.

There can be no assurance that the steps that we take will be adequate to protect our proprietary technology and intellectual property, that others will not develop or patent similar or superior technologies, solutions or services, or that our trademarks, patents, and other intellectual property will not be challenged, invalidated or circumvented by others. Furthermore, effective trademark, patent, copyright, and trade secret protection may not

be available in every country in which our software is available or where we have employees or independent contractors. In addition, the legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights in internet and software-related industries are uncertain and still evolving.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could seriously adversely affect our brand and adversely impact our business.

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

Companies in the software and technology industries, including some of our current and potential competitors, own significant numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. The litigation may involve patent holding companies or other adverse patent owners that have no relevant product revenue and against which our patents may therefore provide little or no deterrence. In the past, we have been subject to allegations of patent infringement that were unsuccessful, and we expect in the future to be subject to claims that we have misappropriated, misused, or infringed other parties' intellectual property rights, and, to the extent we gain greater market visibility or face increasing competition, we face a higher risk of being the subject of intellectual property infringement claims, which is not uncommon with respect to enterprise software companies. We may in the future be subject to claims that employees or contractors, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of our competitors or other parties. To the extent that intellectual property claims are made against our customers based on their usage of our technology, we have certain obligations to indemnify and defend such customers from those claims. The term of our contractual indemnity provisions often survives termination or expiration of the applicable agreement. Large indemnity payments, defense costs or damage claims from contractual breach could harm our business, results of operations and financial condition.

There may be third-party intellectual property rights, including issued or pending patents that cover significant aspects of our technologies or business methods. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate, could divert our management's attention and other resources and could result in adverse publicity. These claims could also subject us to making substantial payments for legal fees, settlement payments, and other costs or damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights. These claims could also result in our having to stop making, selling, offering for sale, or using technology found to be in violation of a third party's rights. We might be required to seek a license for the third-party intellectual property rights, which may not be available on reasonable terms or at all. Even if a license is available to us, we may be required to pay significant upfront fees, milestones or royalties, which would increase our operating expenses. Moreover, to the extent we only have a license to any intellectual property used in our solutions, there may be no guarantee of continued access to such intellectual property, including on reasonable terms. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of our software or cease business activities covered by such intellectual property, and may be unable to compete effectively. Any of these results would adversely affect our business, results of operations, financial condition and cash flows.

Portions of our solutions utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Our software contains software made available by third parties under so-called “open source” licenses. From time to time, there have been claims against companies that distribute or use open source software in their products and services, asserting that such open source software infringes the claimants’ intellectual property rights. We could be subject to suits by parties claiming that what we believe to be licensed open source software infringes their intellectual property rights. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, certain open source licenses require that source code for software programs that are subject to the license be made available to the public and that any modifications or derivative works to such open source software continue to be licensed under the same terms. Further, certain open source licenses also include a provision that if we enforce any patents against the software programs that are subject to the license, we would lose the license to such software. If we were to fail to comply with the terms of such open source software licenses, such failures could result in costly litigation, lead to negative public relations or require that we quickly find replacement software which may be difficult to accomplish in a timely manner.

Although we monitor our use of open source software in an effort both to comply with the terms of the applicable open source licenses and to avoid subjecting our software to conditions we do not intend, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our product or operate our business. By the terms of certain open source licenses, we could be required to release the source code of our software and to make our proprietary software available under open source licenses, if we combine or distribute our software with open source software in a certain manner. In the event that portions of our software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all, or a portion of, that software or otherwise be limited in the licensing of our software, each of which could reduce or eliminate the value of our product. Many of the risks associated with usage of open source software cannot be eliminated, and could negatively affect our business, results of operations and financial condition.

Risks Related to Our Common Stock and this Offering

Our stock price may be volatile, and you may lose some or all of your investment.

There has been no public market for our common stock prior to this offering. The initial public offering price for the shares of our common stock will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the market price of our common stock following this offering. The market price of our common stock following this offering may fluctuate substantially and may be lower than the initial public offering price. The market price of our common stock following this offering will depend on a number of factors, including those described in this “Risk Factors” section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock, since you might not be able to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the market price of our common stock include the following:

- actual or anticipated changes or fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements and filings with the SEC;

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- rumors and market speculation involving us or other companies in our industry;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- the expiration of market stand-off or contractual lock-up agreements and sales of shares of our common stock by us or our stockholders;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major changes in our management or our board of directors;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

Recently, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may negatively impact the market price of our common stock. If the market price of our common stock after this offering does not exceed the initial public offering price, you may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management's attention.

No public market for our common stock currently exists, and an active public trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market or active private market for our common stock. Application has been made to list our common stock on _____; however, an active public trading market may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. We cannot predict the prices at which our common stock will trade. The initial public offering price of our common stock will be determined by negotiations between us and the underwriters and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business and prospects.

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

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. As a new public company, we may be slow to attract research coverage and the analysts who publish information about our common stock will have had relatively little experience with our company, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. In addition, the stock prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance publicly announced by the companies or the expectations of analysts. If our financial results fail to meet, or exceed, our announced guidance or the expectations of analysts or public investors, analysts could downgrade our common stock or publish unfavorable research about us. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Sales of substantial amounts of our common stock in the public markets, or the perception that they might occur, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

After this offering, there will be _____ shares of our common stock outstanding, assuming no exercise of the underwriters' over-allotment option. Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that these sales might occur, could depress the market price of our common stock, impair our ability to raise capital through the sale of additional equity securities and make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Of our issued and outstanding shares of our common stock, all of the shares sold in this offering will be freely transferable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares acquired by our affiliates, as defined in Rule 144 under the Securities Act. The remaining shares outstanding after this offering will be restricted as a result of securities laws, lock-up agreements or other contractual restrictions that restrict transfers for _____ days after the date of this prospectus.

Additionally, following the completion of this offering, stockholders holding approximately _____ shares of our common stock outstanding, will, after the expiration of the lock-up periods specified above, have the right, subject to various conditions and limitations, to include their shares of our common stock in registration statements relating to our securities. If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act. Shares of common stock sold under such registration statements can be freely sold in the public market. In the event such registration rights are exercised and a large number of shares of common stock are sold in the public market, such sales could reduce the trading price of our common stock. See "Description of Capital Stock—Registration Rights" and "Shares Eligible for Future Sale—Lock-Up Agreements" for a more detailed description of these registration rights and the lock-up period.

We intend to file a registration statement on Form S-8 under the Securities Act to register the total number of shares of our common stock that may be issued under our equity incentive plans. See "Shares Eligible for Future Sale—Form S-8 Registration Statements" for a more detailed description of the shares of common stock that will be available for future sale upon the registration and issuance of such shares, subject to any applicable vesting or lock-up period or other restrictions provided under the terms of the applicable plan and/or the option agreements entered into with the option holders.

In addition, in the future we may issue common stock or other securities convertible into shares of our common stock from time to time in connection with a financing, acquisition, investment or otherwise. The

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number of new shares of our common stock issued in connection with raising additional capital could constitute a material portion of the then outstanding shares of our common stock, which could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline.

Concentration of ownership among our existing directors, executive officers and holders of 5% or more of our outstanding common stock may prevent new investors from influencing significant corporate decisions, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

Following this offering, our directors, executive officers and holders of more than 5% of our common stock, some of whom are represented on our board of directors, together with their affiliates will beneficially own % of the voting power of our outstanding capital stock. As a result, these stockholders will, immediately following this offering, be able to determine the outcome of matters submitted to our stockholders for approval, including the election of directors and approval of significant corporate transactions. Some of these persons or entities may have interests that are different from yours, and this ownership could affect the value of your shares of common stock if, for example, these stockholders elect to delay, defer or prevent a change in corporate control, merger, consolidation, takeover or other business combination. This concentration of ownership may also adversely affect the market price of our common stock.

We have broad discretion to determine how to use the funds raised in this offering, and we may use them in ways that may not enhance our operating results or the price of our common stock.

The principal purposes of this offering are to increase our capitalization and financial flexibility, to create a public market for our stock and thereby enable access to the public equity markets for our employees and stockholders, to obtain additional capital and to increase our visibility in the marketplace. We currently intend to use a significant portion of the net proceeds from this offering for general corporate purposes, including for any of the purposes described in “Use of Proceeds.” However, we do not currently have any specific or preliminary plans for the net proceeds from this offering and will have broad discretion in how we use the net proceeds of this offering. We could spend the proceeds from this offering in ways that our stockholders may not agree with or that do not yield a favorable return. You will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price of our common stock could decline.

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

As a public company, we will be subject to the reporting and corporate governance requirements of the Exchange Act, the listing requirements of and other applicable securities rules and regulations, including the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company” as defined in the JOBS Act. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management’s attention may be diverted from other business concerns, which could harm our business, financial condition, results of operations and prospects. Although we have already hired and are in the process of hiring, additional personnel to help comply with these requirements, we may need to further expand our legal and finance departments in the future, which will increase our costs and expenses.

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In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company and in this prospectus, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be materially harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially harm our business, financial condition, results of operations and prospects.

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

In addition, as a result of our disclosure obligations as a public company, we will have reduced strategic flexibility and will be under pressure to focus on short-term results, which may materially and adversely affect our ability to achieve long-term profitability.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. In addition, our loan and security agreement with Silicon Valley Bank contains restrictive covenants that prohibit us, subject to certain exceptions, from paying dividends on our common stock.

If you purchase shares of our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

Investors purchasing common stock in this offering will pay a price per share that substantially exceeds the historical net tangible book value per share, which was \$(15.24) per share of common stock as of December 31, 2017. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation.

Furthermore, if the underwriters exercise their over-allotment option in full, outstanding options are exercised, we issue awards to our employees under our equity incentive plans or we otherwise issue additional shares of our common stock, you could experience further dilution. See "Dilution" for more information.

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

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairperson of our board of directors, chief executive officer or president (in the absence of a chief executive officer) or a majority vote of our board of directors, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the issuance of preferred stock and management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our board of directors, by majority vote, to amend our amended and restated bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our amended and restated bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. See "Description of Capital Stock—Anti-Takeover Provisions."

Our amended and restated certificate of incorporation to be effective in connection with the closing of this offering will provide that the Court of Chancery of the State of Delaware or the U.S. federal district courts will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated certificate of incorporation to be effective in connection with the closing of this offering provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for any

derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, any action asserting a claim against us arising pursuant to any provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Some companies that adopted a similar federal district court forum selection provision are currently subject to a suit in the Chancery Court of Delaware by stockholders who assert that the provision is not enforceable. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition.

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

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of: (1) the first fiscal year following the fifth anniversary of our initial public offering; (2) the first fiscal year after our annual gross revenue is \$1.07 billion or more; (3) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; or (4) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the end of the second quarter of that fiscal year. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the sections of this prospectus entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” but are also contained elsewhere in this prospectus. In some cases, you can identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “predict,” “project,” “potential,” “should,” “will,” or “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. The forward-looking statements and opinions contained in this prospectus are based upon information available to us as of the date of this prospectus and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements include statements about:

- our market opportunity;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to adapt to technological change and effectively enhance, innovate and scale our enterprise platform and solutions;
- our ability to effectively manage or sustain our growth and to achieve profitability;
- our ability to maintain and expand our customer base, including by attracting new customers;
- our relationships with third parties, including channel partners;
- potential acquisitions and integration of complementary businesses and technologies;
- our expected use of proceeds;
- our ability to maintain, or strengthen awareness of, our brand;
- perceived or actual problems with the security, integrity, reliability, compatibility and quality of our platform and solutions;
- future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- our ability to attract and retain qualified employees and key personnel and further expand our overall headcount;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- our ability to maintain, protect and enhance our intellectual property;
- costs associated with defending intellectual property infringement and other claims; and
- the future trading prices of our common stock and the impact of securities analysts’ reports on these prices.

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

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You should refer to the “Risk Factors” section of this prospectus for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, or the Securities Act, do not protect any forward-looking statements that we make in connection with this offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

INDUSTRY AND MARKET DATA

Information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations and market position, market opportunity and market size is based on information from various sources, including independent industry publications by International Data Corporation, or IDC, Gartner, Inc., or Gartner, and Cisco. In presenting this information, we have also made assumptions based on such data and other similar sources, and on our knowledge of, and in our experience to date in, the markets for our services. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although neither we nor the underwriters have independently verified the accuracy or completeness of any third-party information, we believe the market position, market opportunity and market size information included in this prospectus is reliable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the “Risk Factors” section. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

The Gartner report described herein, or the Gartner Report, represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Report are subject to change without notice.

This prospectus makes various references to the following research opinions published by IDC:

- IDC, *Worldwide Security and Vulnerability Management Forecast, 2017–2021*, dated January 2018.
- IDC, *Container Infrastructure Market Assessment: Bridging Legacy and Cloud-Native Architectures — x86 Software Containers Forecast, 2017–2021*, dated March 2018.
- IDC, *IDC Quarterly Server Tracker, Forecast Installed Base*, dated 31 October 2017.
- IDC, *IDC Quarterly Personal Computing Device Tracker - Tablet Forecast, Q4 2017*.
- IDC, *Worldwide Business Use Smartphone Forecast, 2018–2022*, dated March 2018.

USE OF PROCEEDS

We estimate that the net proceeds from our issuance and sale of _____ shares of our common stock in this offering will be approximately \$ _____ million, or approximately \$ _____ million if the underwriters exercise their over-allotment option in full, based upon an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds to us from this offering by approximately \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. A 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease the net proceeds to us from this offering by approximately \$ _____ million, assuming that the assumed initial offering price to the public remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial price to the public or the number of shares by these amounts would have a material effect on the uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock and facilitate our future access to the capital markets. Although we have not yet determined with certainty the manner in which we will allocate the net proceeds of this offering, we expect to use the net proceeds from this offering for working capital and other general corporate purposes, including continuing to invest in sales and marketing and in our solutions and increasing international expansion.

We may also use a portion of the proceeds from this offering for acquisitions or strategic investments in complementary businesses or technologies, although we do not currently have any plans for any such acquisitions or investments. We have not allocated specific amounts of net proceeds for any of these purposes.

The expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions. We cannot predict with certainty all of the particular uses for the proceeds of this offering or the amounts that we will actually spend on the uses set forth above. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. Pending their use, we intend to invest the net proceeds of this offering in a variety of capital-preservation investments, including short- and intermediate-term, interest-bearing, investment-grade securities and government securities.

DIVIDEND POLICY

We have never declared or paid any dividends on our common stock. In addition, our loan and security agreement with Silicon Valley Bank contains restrictive covenants that prohibit us, subject to certain exceptions, from paying dividends on our common stock, and future debt securities or other financing arrangements could contain similar or more restrictive negative covenants. We currently intend to retain all available funds and any future earnings for the operation and expansion of our business. Accordingly, following this offering, we do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of any future dividends will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in our current and future debt agreements, and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2017:

- on an actual basis;
- on a pro forma basis to reflect (1) the conversion of all outstanding shares of our preferred stock into an aggregate of 55,385,854 shares of common stock as if such conversion had occurred on December 31, 2017 and (2) the filing of our amended and restated certificate of incorporation immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to reflect the pro forma items described immediately above and the sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

	As of December 31, 2017		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
	(in thousands, except per share data)		
Cash and cash equivalents	\$ 27,210	\$ 27,210	
Redeemable convertible preferred stock:			
Redeemable convertible Series A preferred stock, \$0.01 par value per share; 15,848 shares authorized, 15,848 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	\$ 49,935	\$ —	
Redeemable convertible Series B preferred stock, \$0.01 par value per share; 42,000 shares authorized, 39,538 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	227,800	—	
Stockholders’ (deficit) equity:			
Preferred stock, \$0.01 par value per share; no shares authorized, issued and outstanding, actual; _____ shares authorized, pro forma and pro forma as adjusted; _____ shares issued and outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, \$0.01 par value per share; 93,855 shares authorized, actual; 24,472 shares issued and outstanding, actual; _____ shares authorized, pro forma; 79,858 shares issued and outstanding, pro forma; _____ shares authorized, pro forma as adjusted; _____ shares issued and outstanding, pro forma as adjusted	246	800	
Additional paid-in capital	20,676	297,857	
Accumulated deficit	(392,587)	(392,587)	
Total stockholders’ (deficit) equity	(371,665)	(93,930)	
Total capitalization	\$ (93,930)	\$ (93,930)	

(1) The pro forma as adjusted information set forth above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase

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or decrease in the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. A 1,000,000 share increase or decrease in the number of shares offered by us would increase or decrease pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately \$ million, assuming that the assumed initial offering price to the public remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The outstanding share information in the table above excludes:

- 14,573,452 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2017, at a weighted-average exercise price of \$4.38 per share;
- 522,759 shares of common stock reserved for future issuance under our 2016 Stock Incentive Plan, which shares will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective;
- shares of common stock reserved for future issuance pursuant to our 2018 Equity Incentive Plan, which will become effective prior to the closing of this offering; and
- shares of common stock reserved for future issuance under our 2018 Employee Stock Purchase Plan, which will become effective prior to the closing of this offering.

DILUTION

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

Our historical net tangible book value as of December 31, 2017 was \$(373.0) million, or \$(15.24) per share of common stock. Our historical net tangible book value per share represents our total tangible assets less our total liabilities and preferred stock (which is not included within stockholders' deficit), divided by the number of shares of common stock outstanding as of December 31, 2017.

Our pro forma net tangible book value as of December 31, 2017 was \$(95.2) million, or \$(1.19) per share of common stock. Pro forma net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding as of December 31, 2017, after giving effect to the conversion of all outstanding shares of our preferred stock into an aggregate of 55,385,854 shares of common stock immediately prior to the closing of this offering as if such conversion had occurred on December 31, 2017.

Our pro forma as adjusted net tangible book value represents our pro forma net tangible book value, plus the effect of the sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Our pro forma as adjusted net tangible book value as of December 31, 2017 was \$ _____ million, or \$ _____ per share of common stock. This amount represents an immediate increase in pro forma net tangible book value of \$ _____ per share to our existing stockholders and an immediate dilution of \$ _____ per share to investors participating in this offering. We determine dilution per share to investors participating in this offering by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed initial public offering price per share paid by investors participating in this offering.

In each case, our total tangible assets include \$50.2 million of deferred commissions, which will be recognized over a period of one to five years.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share		\$
Historical net tangible book value per share as of December 31, 2017	\$ (15.24)	
Increase per share attributable to the pro forma transactions described above	14.05	
Pro forma net tangible book value per share as of December 31, 2017	(1.19)	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares from us in this offering		
Pro forma as adjusted net tangible book value per share after giving effect to this offering		
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		\$

The pro forma as adjusted dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted net tangible book

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value per share by \$ _____ per share and the dilution per share to investors participating in this offering by \$ _____ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. A 1,000,000 share increase in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase the pro forma as adjusted net tangible book value per share by \$ _____ and decrease the dilution per share to investors participating in this offering by \$ _____, assuming the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A 1,000,000 share decrease in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted net tangible book value per share after this offering by \$ _____ and increase the dilution per share to new investors participating in this offering by \$ _____, assuming the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full to purchase an additional _____ shares of our common stock in this offering, the pro forma as adjusted net tangible book value of our common stock would increase to \$ _____ per share, representing an immediate increase to existing stockholders of \$ _____ per share and an immediate dilution of \$ _____ per share to investors participating in this offering.

The following table summarizes as of December 31, 2017, on the pro forma as adjusted basis described above, the number of shares of our common stock, the total consideration and the average price per share (1) paid to us by our existing stockholders and (2) to be paid by investors purchasing our common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Weighted-Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	79,857,829	%	\$284,576,951(1)	%	\$ 3.56
New investors					
Total		100.0%		100.0%	\$

(1) We received aggregate consideration of \$280.0 million for the issuance of our Series A and Series B redeemable convertible preferred stock. The proceeds from the sale of such shares of preferred stock were used to repurchase shares of our common stock.

The outstanding share information used in the computations above excludes:

- 14,573,452 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2017, at a weighted-average exercise price of \$4.38 per share;
- 522,759 shares of common stock reserved for future issuance under our 2016 Stock Incentive Plan, which shares will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective;
- _____ shares of common stock reserved for future issuance pursuant to our 2018 Equity Incentive Plan, which will become effective prior to the closing of this offering; and
- _____ shares of common stock reserved for future issuance under our 2018 Employee Stock Purchase Plan, which will become effective prior to the closing of this offering.

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

SELECTED CONSOLIDATED FINANCIAL DATA

We derived the selected consolidated statements of operations data for the years ended December 31, 2016 and 2017 and the selected consolidated balance sheet data as of December 31, 2016 and 2017 from our audited consolidated financial statements included elsewhere in this prospectus. In order to provide additional historical financial information, we have included supplemental consolidated statements of operations data for the year ended December 31, 2015, which is derived from the consolidated statement of operations and comprehensive loss for the year ended December 31, 2015 from our audited financial statements not included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future.

When you read this selected consolidated financial data, it is important that you read it together with the historical consolidated financial statements and related notes to those statements, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included elsewhere in this prospectus.

	Year Ended December 31,		
	2015	2016	2017
(in thousands, except per share data)			
Consolidated Statements of Operations Data:			
Revenue ⁽¹⁾	\$ 93,466	\$ 124,371	\$ 187,727
Cost of revenue ⁽²⁾	10,914	14,219	25,588
Gross profit	82,552	110,152	162,139
Operating expenses:			
Sales and marketing ⁽¹⁾⁽²⁾	60,635	85,736	116,299
Research and development ⁽²⁾	25,288	40,085	57,673
General and administrative ⁽²⁾	15,348	20,164	28,927
Recapitalization costs ⁽³⁾	67,039	—	—
Total operating expenses	168,310	145,985	202,899
Loss from operations	(85,758)	(35,833)	(40,760)
Other expense, net	189	532	91
Loss before income taxes	(85,947)	(36,365)	(40,851)
(Benefit from) provision for income taxes	(2,188)	843	171
Net loss	(83,759)	(37,208)	(41,022)
Accretion of Series A and B redeemable convertible preferred stock	29	763	763
Net loss attributable to common stockholders	\$ (83,788)	\$ (37,971)	\$ (41,785)
Net loss per share attributable to common stockholders, basic and diluted ⁽⁴⁾	\$ (1.45)	\$ (1.81)	\$ (1.88)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	57,654	20,974	22,211
Pro forma net loss per share, basic and diluted (unaudited) ⁽⁵⁾			\$ (0.53)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)			77,597

- (1) We adopted Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*, or ASC 606, on January 1, 2017 using the modified retrospective method. The 2015 and 2016 consolidated statements of operations were not adjusted for the adoption of ASC 606. See Note 2 to our consolidated financial statements included elsewhere in this prospectus for details on the impact of adopting ASC 606.

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

	Year Ended December 31,		
	2015	2016	2017
	(in thousands)		
Cost of revenue	\$ 52	\$ 223	\$ 281
Sales and marketing	866	969	1,579
Research and development	252	602	1,782
General and administrative	509	738	4,118
Total stock-based compensation expense	<u>\$1,679</u>	<u>\$2,532</u>	<u>\$7,760</u>

- (3) We recorded a charge of \$67.0 million primarily resulting from the repurchase price paid to common stockholders exceeding the estimated fair value of the common stock on the date of the Series B financing.
- (4) See Note 9 to our consolidated financial statements appearing elsewhere in this prospectus for further details on the calculation of basic and diluted net loss per share attributable to common stockholders.
- (5) Pro forma basic and diluted net loss per share represents net loss divided by the pro forma weighted-average shares of common stock outstanding. Pro forma weighted-average shares outstanding reflects the conversion of all outstanding shares of our preferred stock (using the if-converted method) into common stock as though the conversion had occurred on the first day of the relevant period.

	As of December 31,		
	2015	2016	2017
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 43,743	\$ 34,470	\$ 27,210
Working capital (deficit) ⁽¹⁾	13,862	(18,538)	(69,091)
Total assets	83,993	105,494	164,337
Deferred revenue, current and non-current	63,218	107,447	225,818
Redeemable convertible preferred stock	276,209	276,972	277,735
Accumulated deficit	(275,939)	(313,147)	(392,587)
Total stockholders' deficit	(266,862)	(301,918)	(371,665)

- (1) We define working capital (deficit) as total current assets less total current liabilities. See our consolidated financial statements included elsewhere in this prospectus for further details regarding our current assets and current liabilities. Changes in working capital (deficit) reflect increases in deferred revenue and deferred commissions as a result of our subscription model and our adoption of ASC 606.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important metrics used by management for financial and operational decision-making. We are presenting these non-GAAP metrics to assist investors in seeing our financial performance using a management view and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Calculated Billings

We use the non-GAAP measure of calculated billings, which we believe is a key metric to measure our periodic performance. Given that most of our customers pay in advance, we typically recognize a majority of the related revenue ratably over time. We use calculated billings to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers.

Calculated billings consists of our total revenue recognized in a period plus the change in total deferred revenue in the corresponding period. While we believe that calculated billings provides valuable insight into the cash that will be generated from sales of our subscriptions, this metric may vary from period-to-period for a number of reasons, and therefore has a number of limitations as a quarter-to-quarter or year-over-year comparative measure. These reasons include, but are not limited to (i) a variety of customer contractual terms could result in some periods having a higher proportion of multi-year prepayments than other periods, (ii) an increasing number of large sales transactions, for which the timing of executing these large transactions has and will continue to vary, with some transactions occurring in quarters subsequent to or in advance of those that we anticipated and (iii) fluctuations in payment terms affecting the billings recognized in a particular period. Because of these and other limitations, you should consider calculated billings along with revenue and our other GAAP financial results.

The following table presents a reconciliation of revenue, the most directly comparable financial measure calculated in accordance with GAAP, to calculated billings, for each of the periods presented:

	Year Ended December 31,		
	2015	2016	2017
Revenue	\$ 93,466	\$ 124,371	\$ 187,727
Add: Total deferred revenue, end of period	63,218	107,447	225,818
Less: Total deferred revenue, beginning of period ⁽¹⁾	(38,591)	(63,218)	(162,414)
Calculated billings	<u>\$118,093</u>	<u>\$168,600</u>	<u>\$ 251,131</u>

(1) In connection with adopting ASC 606, we recorded \$55.0 million of deferred revenue on January 1, 2017, related to perpetual license revenue recognized in prior periods. See Note 2 to our consolidated financial statements for additional details.

Calculated billings based on the change in short-term deferred revenue is not meaningful in 2017 due to the adoption of ASC 606.

Adjusted EBITDA

We use the non-GAAP financial measure of adjusted EBITDA and believe it is a measure widely used by securities analysts and investors to evaluate the financial performance of our company and other companies. We believe that adjusted EBITDA is an important measure for evaluating our performance because it facilitates comparisons of our core operating results from period to period by removing the impact of stock-based compensation, recapitalization costs, depreciation and amortization (including amortization of acquired intangibles), interest expense, interest income and other income (expense), net, and (benefit from) provision for income taxes. Additionally, we base certain of our forward-looking statements and budgets on adjusted EBITDA.

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The following table presents a reconciliation of net loss, the most directly comparable financial measure calculated in accordance with GAAP, to adjusted EBITDA for each of the periods presented:

	Year Ended December 31,		
	2015	2016	2017
	(in thousands)		
Net loss	\$(83,759)	\$(37,208)	\$(41,022)
Stock-based compensation	1,679	2,532	7,760
Recapitalization costs	67,039	—	—
Depreciation and amortization	2,637	3,060	4,692
Other expense, net	189	532	91
(Benefit from) provision for income taxes	(2,188)	843	171
Adjusted EBITDA	<u>\$(14,403)</u>	<u>\$(30,241)</u>	<u>\$(28,308)</u>

There are a number of limitations related to the use of adjusted EBITDA as compared to net loss, including that adjusted EBITDA excludes stock-based compensation expense and depreciation and amortization, which has been, and will continue to be for the foreseeable future, significant recurring expenses in our business. In addition, stock-based compensation is an important part of our compensation strategy.

Free Cash Flow

We use the non-GAAP measure of free cash flow, which we define as GAAP net cash flows from operating activities reduced by purchases of property and equipment. We believe free cash flow is an important liquidity measure of the cash (if any) that is available, after purchases of property and equipment, for operational expenses, investment in our business, and to make acquisitions. Free cash flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

The following table summarizes our cash flows for the periods presented and presents a reconciliation of net cash from operating activities, the most directly comparable financial measure calculated in accordance with GAAP, to free cash flow, for each of the periods presented:

	Year Ended December 31,		
	2015	2016	2017
	(in thousands)		
Net cash used in operating activities	\$(2,076)	\$(2,785)	\$(6,528)
Purchases of property and equipment	(2,672)	(5,776)	(2,755)
Free cash flow	<u>\$(4,748)</u>	<u>\$(8,561)</u>	<u>\$(9,283)</u>

Our use of free cash flow has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of our results under GAAP. First, free cash flow is not a substitute for net cash used in operating activities. Second, other companies may calculate free cash flow or similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of free cash flow as a tool for comparison. Additionally, the utility of free cash flow is further limited as it does not reflect our future contractual commitments and does not represent the total increase or decrease in our cash balance for a given period. Because of these and other limitations, you should consider free cash flow along with our GAAP financial measures.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this prospectus.

Overview

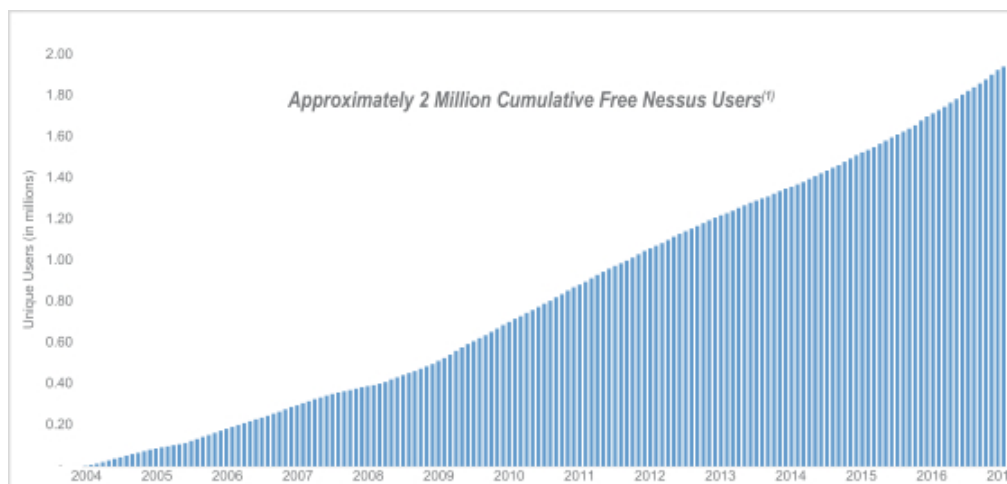
We are the first and only provider of solutions for a new category of cybersecurity called Cyber Exposure. Cyber Exposure is a discipline for managing and measuring cybersecurity risk in the digital era. Our enterprise platform enables broad visibility into an organization's cyber exposure across the modern attack surface and deep insights that help organizations translate vulnerability data into business insights to understand and reduce their cybersecurity risk.

Our enterprise platform offerings include Tenable.io and SecurityCenter. Tenable.io is our SaaS offering that manages and measures cyber exposure across a range of traditional and modern assets. SecurityCenter was built to manage and measure cyber exposure across traditional IT assets and can be run on-premises, in the customer's cloud or in a hybrid environment. Later in 2018, we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers.

Our enterprise platform offerings are primarily sold on a subscription basis with terms ranging from one to three years, primarily one year. These offerings are typically prepaid in advance. To a lesser extent, we generate ratably recognizable revenue from perpetual licenses and from the related ongoing maintenance. Revenue from perpetual license sales is recognized ratably over a five-year estimated economic life in accordance with ASC 606. Revenue from our enterprise platform offerings accounted for 58% and 67% of total revenue in 2016 and 2017, respectively.

Many of our enterprise platform customers initially use either our free or paid version of Nessus, one of the industry's most widely deployed vulnerability assessment solution. Nessus, which is the technology that underpins our enterprise platform offerings, is designed to quickly and accurately identify vulnerabilities, configuration and compliance issues and malware. Our free version of Nessus, Nessus Home, allows for vulnerability assessment over a limited number of IP addresses. We believe many of our Nessus customers begin with Nessus Home and subsequently upgrade to Nessus Professional, the paid version of Nessus; however, we expect many users to continue to use Nessus Home. Revenue from Nessus Professional accounted for 39% and 31% of total revenue in 2016 and 2017, respectively. Nessus Professional revenue as a percentage of total revenue decreased in 2016 and 2017 as customers have increasingly adopted our enterprise platform offerings.

The following graphic illustrates the number of cumulative free Nessus users from 2004 through 2017:



- (1) Each unique email address utilized to download Nessus is a user.

The following are key company milestones:

1998: Initial release of free version of Nessus under an open source license by co-founder Renaud Deraison

2002: Tenable founded

2003: Launched SecurityCenter enterprise platform

2005: Closed sourced Nessus (source code no longer published)

2008: Launched paid Nessus offering

2012: Enhanced SecurityCenter platform offering to include passive network monitoring

2015: Introduced enterprise subscription model and increased investment in sales and marketing to accelerate sales growth and customer acquisition

2017: Launched Tenable.io enterprise platform offering

2018: Announced Tenable.io Lumin

We sell and market our enterprise platform offerings through our field sales force that works closely with our channel partners, which includes a network of distributors and resellers, in developing sales opportunities. We use a two-tiered channel model whereby we sell our enterprise platform offerings to our distributors, which in turn sell to our resellers, which then sell to end users, which we call customers. Nessus Professional is also sold by our channel partners without the direct involvement of our sales force, as well as through our own e-commerce store. One of our distributors, Ingram Micro, Inc., accounted for 42% and 45% of revenue in 2016 and 2017, respectively. No customer accounted for more than 2% of revenue in 2016 or 2017.

Our enterprise platform offerings are generally priced based on the number of IT assets or IP addresses that a customer chooses to monitor. Subscriptions to Nessus Professional are generally priced on a per-license basis.

We believe the market for our solutions is large and growing as cybersecurity continues to become more strategic for organizations. We have made substantial investments in developing our platform offerings and expanding our sales and marketing footprint globally. Worldwide, we have offices in 12 countries, and our total

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employee base has grown from 751 as of December 31, 2016 to 984 as of December 31, 2017. Our international revenue represented 31% of our revenue for both 2016 and 2017. In the near future, we intend to continue to invest heavily to grow our business to take advantage of our market opportunity rather than optimizing for profitability or cash flow.

We have experienced rapid growth in recent years. Revenue in 2016 and 2017 was \$124.4 million and \$187.7 million, respectively, representing year-over-year growth of 51%. Our net loss in 2016 and 2017 was \$37.2 million and \$41.0 million, respectively, as we continue to invest in our business and market opportunity.

Factors Affecting Our Performance

Product Leadership

We offer the first and only Cyber Exposure platform to provide visibility into the broadest range of traditional and modern IT assets across cloud and on-premises environments. We are intensely focused on continued innovation that empowers organizations to understand and reduce their cyber exposure. This includes ongoing development of our enterprise platform offerings. In February 2017, we released Tenable.io, our SaaS offering that is designed to provide broad visibility and insights across a broad range of traditional and modern IT assets and cloud environments. Throughout 2017, we introduced new features to Tenable.io, including web application scanning and container security.

In 2017, we introduced Industrial Security, an Operational Technology-specific offering that we developed in partnership with Siemens in order to provide continuous visibility and protection of Industrial Control Systems.

We also offer SecurityCenter, which manages vulnerabilities across traditional IT assets and provides automated assessment of security frameworks and compliance regulations. We continue to expand the capabilities of SecurityCenter, as well as our Nessus products, specifically as it relates to the ability to scan for and detect the rapidly expanding volume of vulnerabilities.

In addition, in late 2018 we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers.

We intend to continue to invest in our engineering capabilities and marketing activities to maintain our position in the highly-competitive market for cybersecurity solutions. Our results of operations may fluctuate as we make these investments to drive increased customer adoption and usage.

New Enterprise Platform Customer Acquisition

We had over 24,000 total customers as of December 31, 2017. We believe that our customer base provides a significant opportunity to expand sales of our enterprise platform offerings. The following table summarizes key components of our customer base as of December 31, 2015, 2016 and 2017:

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Number of enterprise platform customers ⁽¹⁾	2,096	3,180	4,450
Number of customers with \$100,000 and greater in annual contract value	45	124	265

(1) We define an enterprise platform customer as a customer that has licensed Tenable.io or SecurityCenter for an annual amount of \$5,000 or greater.

We believe our ability to continue to grow our enterprise platform customers will increase future opportunities for renewals and follow-on sales. We believe that we have significant room to capture additional market share.

We expect to grow our enterprise platform customers by continuing to expand our sales organization and leveraging channel partner network, which we believe will allow us to identify new enterprise customers, enter new markets, including internationally, as well as to convert more of our existing Nessus Professional customers to enterprise platform customers.

We have increased our sales and marketing headcount in recent years and we will continue to invest significantly in our partner network and sales and marketing capability in order to grow domestically and internationally.

Retaining and Expanding Revenue from Existing Customers

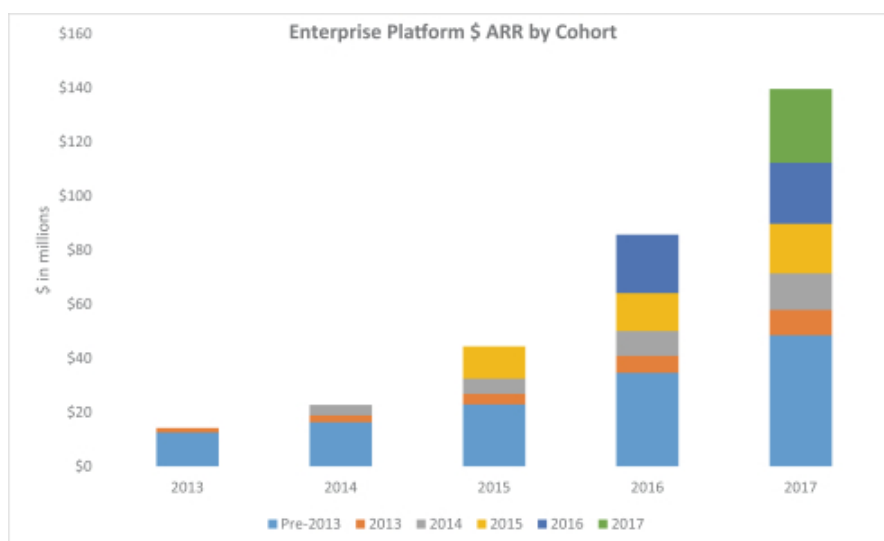
Our enterprise platform offerings utilize IT asset-based or IP address-based pricing models. Once enterprise customers have licensed our platform offerings, they typically seek broader coverage over their traditional IT assets, including networking infrastructure, desktops and on-premises servers. As customers launch new applications or migrate existing applications to the cloud and deploy web applications, containers, IoT and OT, they often increase the scope of their subscriptions and/or add additional perpetual licenses to our enterprise platforms.

We are also focused on upselling customers from Nessus Professional to our enterprise platform offerings. Nessus customers are typically organizations or independent security consultants that use Nessus for a single vulnerability assessment at a point in time. We seek to convert our Nessus Professional users to customers of our enterprise platform offerings, which provide continuous visibility and insights into their attack surface.

Further, we plan to expand existing platform capabilities and launch new products, such as Tenable.io Lumin, which we believe will drive new product purchases and follow-on purchases over time, thereby contributing to customer renewals. We believe that there is a significant opportunity to drive additional sales to existing customers, and we expect to invest in sales and marketing and customer success personnel and activities to achieve additional revenue growth from existing customers.

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The chart below illustrates enterprise platform annual recurring revenue, or ARR, from each customer cohort over the years presented, and illustrates how our customers spend more with us over time. We define enterprise platform ARR as subscription and maintenance payments we would contractually expect to receive from enterprise platform customers over the following 12 months. Each cohort represents customers that made their initial purchase from us during a given year. For example, the 2014 cohort represents all customers that made their initial purchase from us between January 1, 2014 and December 31, 2014.



We believe our ability to expand sales with customers is most effectively measured by our dollar-based net expansion rate. We utilize dollar-based net expansion rate to measure the long-term value of our customer relationships because it is driven by our ability to retain and expand the revenue generated from our existing customers.

We calculate our dollar-based net expansion rate as follows:

- *Denominator:* To calculate our dollar-based net expansion rate as of the end of a reporting period, we first establish the ARR from all active subscriptions and maintenance from perpetual licenses as of the last day of the same reporting period in the prior year. This represents recurring payments that we expect to receive in the next 12-month period from the cohort of customers that existed on the last day of the same reporting period in the prior year.
- *Numerator:* We measure the ARR for that same cohort of customers representing all subscriptions and maintenance from perpetual licenses based on customer orders as of the end of the reporting period.

We calculate dollar-based net expansion rate by dividing the numerator by the denominator. Our dollar-based net expansion rate exceeded 120% at December 31, 2016 and 2017.

If we had included in the numerator the annual contract value of incremental payments related to perpetual licenses and services from existing customers, our dollar-based net expansion rate would have increased by over 10 percentage points at December 31, 2016 and 2017.

Our ability to increase sales to existing customers will depend on a number of factors, including satisfaction or dissatisfaction with our products and services, competition, pricing, economic conditions or overall changes in our spending levels. Our dollar-based net expansion rate may fluctuate due to a number of factors, including the performance of our products, the rate of ARR expansion of our existing customers, potential changes in our rate of renewals and other factors described in this prospectus.

Investing in Business Growth

Since our founding, we have invested significantly in growing our business. In 2015, in order to accelerate customer acquisition and revenue growth, we accelerated our investments in our sales and marketing and research and development teams. We have financed this growth and our operations through sales of our software solutions and have not raised any primary institutional capital prior to this offering. The proceeds from our convertible preferred stock financings were fully used to repurchase shares of our capital stock. We intend to continue to invest in sales and marketing to grow our sales team, expand brand and Cyber Exposure awareness and optimize our channel partner network. We also intend to continue to invest in our research and development team to further our technological leadership position in Cyber Exposure and enhance the functionality of our solutions. Any investments we make in our sales and marketing and research and development teams will occur in advance of experiencing the benefits from such investments, so it may be difficult for us to determine if we are efficiently allocating resources in those areas. Our sales and marketing and research and development expense increased \$30.6 million and \$17.6 million, respectively, from 2016 to 2017. These investment activities could increase our net losses over the short term if our revenue growth does not increase at a higher rates. However, we expect that these investments will benefit our results of operations.

Components of Our Results of Operations

Revenue

We generate revenue from subscription arrangements for our software and cloud-based solutions, perpetual licenses, maintenance associated with perpetual licenses and professional services.

Our subscription arrangements generally have annual or multi-year contractual terms and allow customers to use our software or cloud-based solutions, including ongoing software updates during the contractual period. Revenue is recognized ratably over the subscription term given the critical utility provided by the ongoing updates that are released throughout the contract period.

Our perpetual licenses are generally sold with one or more years of maintenance, which includes ongoing software updates. Given the critical utility provided by the ongoing software updates and updated ability to identify network vulnerabilities included in maintenance, we combined the perpetual license and the maintenance into a single performance obligation. Perpetual license arrangements generally contain a material right related to the customer's ability to renew maintenance at a price that is less than the initial license fee. The estimated transaction price for the single performance obligation, including the material right, is recognized as revenue over an estimated economic life. We currently estimate this economic life of perpetual license arrangements to be five years, based on historical contract attrition, expected renewal periods, the lifecycle of our technology and other factors. This estimate may change over time.

Professional services and other revenue is primarily comprised of advisory services and training related to the deployment and optimization of our products. These services do not result in significant customization of our products. Professional services and other revenue is recognized as the services are performed.

On January 1, 2017, we early adopted ASC 606 under the modified retrospective method, applying the guidance to all contracts as of January 1, 2017. Under the modified retrospective method, periods prior to January 1, 2017 were not restated. The most significant impact of adopting ASC 606 was the deferral of perpetual license revenue over an estimated economic life, as discussed above, including estimated maintenance renewal periods, whereas under previous guidance we recognized perpetual license revenue upon delivery of the perpetual license. The impact of the adoption of ASC 606 on 2017 revenue was a net increase of \$3.5 million after giving effect to the recognition of perpetual license revenue from prior year sales and the deferral of perpetual license revenue from 2017 sales.

Cost of Revenue

Cost of revenue includes personnel costs related to our technical support group that provides assistance to customers, including salaries, benefits, bonuses, payroll taxes and stock-based compensation. Cost of revenue also includes public cloud hosting costs for Tenable.io, the costs related to professional services and training, depreciation and amortization and allocated overhead costs, which consist of information technology and facilities.

We intend to continue to invest additional resources in our cloud-based platform and our customer support team as we grow our business. The level and timing of investment in these areas could affect our cost of revenue in the future.

Gross Profit and Gross Margin

Gross profit, or revenue less cost of revenue and gross margin, or gross profit as a percentage of revenue, have been and will continue to be affected by various factors, including the timing of our acquisition of new customers and our renewals of and follow-on sales to existing customers, the costs associated with operating our cloud-based platform, the extent to which we expand our customer support team and the extent to which we can increase the efficiency of our technology and infrastructure through technological improvements. We expect our gross profit to increase in absolute dollars but our gross margin to decrease, as we expect revenue from our cloud-based subscriptions to increase as a percentage of revenue, although our gross margin could fluctuate from period to period depending on the interplay of all of these factors.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, payroll taxes and stock-based compensation expense. Operating expenses also include depreciation and amortization as well as allocated overhead costs including IT and facilities costs.

Sales and Marketing

Sales and marketing expense consists of personnel costs, sales commissions that are recognized as expense over the period of benefit, marketing programs, travel and entertainment, expenses for conferences and events and allocated overhead costs.

Under ASC 606, sales commissions, including related incremental fringe benefit costs, on initial sales are not commensurate with sales commissions on contract renewals and therefore are deferred over an estimated period of benefit, which ranges between three and four years for subscription arrangements and five years for perpetual license arrangements. Sales commissions on contract renewals are capitalized and amortized ratably over the contract term, with the exception of contracts with renewal periods that are one year or less, in which case the incremental costs are expensed as incurred. In periods prior to January 1, 2017, sales commissions for subscriptions were capitalized and amortized over the corresponding period in which the related revenue was recognized. Commissions on perpetual license sales were recognized upon the delivery of the license. In 2017, commission expense was reduced by \$8.8 million as a result of the adoption of ASC 606.

We intend to continue to make significant investments in our sales and marketing teams to grow revenue, further penetrate the market and expand our global customer base. We expect our sales and marketing expense to continue to increase in absolute dollars and to be our largest operating expense category for the foreseeable future. However, as our revenue increases, we expect our sales and marketing expense to decrease as a percentage of our revenue over the long term, although our sales and marketing expense may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

Research and Development

Research and development expense consists of personnel costs, software used to develop our products, travel and entertainment, consulting and professional fees for third-party development resources as well as allocated overhead. Our research and development expense supports our efforts to continue to add capabilities to our existing products and enable the continued detection of new network vulnerabilities. We expect our research and development expense to continue to increase in absolute dollars for the foreseeable future, particularly in 2018, as we continue to invest in research and development efforts to enhance the functionality of our cloud-based platform. However, we expect our research and development expense to decrease as a percentage of our revenue over the long term, although our research and development expense may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

General and Administrative

General and administrative expense consists of personnel costs for our executive, finance, legal, human resources and administrative departments. Additional expenses include travel and entertainment, professional fees, insurance and allocated overhead. We expect our general and administrative expense to continue to increase in absolute dollars for the foreseeable future, in particular in 2018, due to additional costs associated with accounting, compliance, insurance and investor relations as we become a public company. However, we expect our general and administrative expense to decrease as a percentage of our revenue over the long term, although our general and administrative expense may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

Other Expense, Net

Other income (expense), net consists primarily of net foreign currency remeasurement and transaction gains and losses, income earned on cash and cash equivalents and interest expense in connection with unused line of credit fees on our revolving credit facility.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes in certain foreign jurisdictions in which we conduct business. We have recorded deferred tax assets for which a full valuation allowance has been provided, including net operating loss carryforwards and tax credits. We expect to maintain this full valuation allowance for the foreseeable future as it is more likely than not that some or all of those deferred tax assets may not be realized based on our history of losses.

Results of Operations

The following tables set forth our consolidated results of operations for the periods presented in dollars and as a percentage of revenue:

	Year Ended December 31,			
	2016		2017	
	\$	% of Revenue	\$	% of Revenue
	(dollars in thousands)			
Revenue	\$ 124,371	100%	\$ 187,727	100%
Cost of revenue ⁽¹⁾	14,219	11	25,588	14
Gross profit	110,152	89	162,139	86
Operating expenses:				
Sales and marketing ⁽¹⁾	85,736	69	116,299	62
Research and development ⁽¹⁾	40,085	32	57,673	31
General and administrative ⁽¹⁾	20,164	16	28,927	15
Total operating expenses	145,985	117	202,899	108
Loss from operations	(35,833)	(29)	(40,760)	(22)
Other expense, net	532	0	91	0
Loss before income taxes	(36,365)	(29)	(40,851)	(22)
Provision for income taxes	843	1	171	0
Net loss	\$ (37,208)	(30)%	\$ (41,022)	(22)%

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

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Cost of revenue	\$ 223	\$ 281
Sales and marketing	969	1,579
Research and development	602	1,782
General and administrative	738	4,118
Total stock-based compensation expense	\$ 2,532	\$ 7,760

Comparison of 2016 and 2017

Revenue

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Revenue	\$ 124,371	\$ 187,727	\$ 63,356	51%

The increase in revenue of \$63.4 million in 2017 was comprised of subscription revenue of \$52.5 million, perpetual licenses and maintenance revenue of \$10.0 million and professional services and other revenue of \$0.9 million. Revenue from existing customers comprised 68% of the increase in revenue, while the remaining increase was due to revenue from new customers. The increase in professional services revenue resulted from the growth of our installed customer base. The impact of the ASC 606 adoption on 2017 revenue was a net increase of \$3.5 million. International revenue increased \$19.3 million, or 50%, consistent with our overall revenue growth rate.

Cost of Revenue, Gross Profit and Gross Margin

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Cost of revenue	\$ 14,219	\$ 25,588	\$ 11,369	80%
Gross profit	\$110,152	\$162,139	\$51,987	47%
Gross margin	89%	86%		

The increase in cost of revenue of \$11.4 million was primarily due to a \$5.4 million increase in third-party cloud infrastructure costs largely associated with the increased adoption of Tenable.io and a \$4.0 million increase in personnel costs primarily associated with an increase in headcount. Stock-based compensation accounted for \$0.1 million of the increase in personnel costs. In addition, depreciation and amortization increased \$0.9 million primarily from the amortization of purchased technology and allocated overhead increased \$0.8 million driven by both the increase in headcount and the overall increase in such costs on a year-over-year basis.

Operating Expenses

Sales and Marketing

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Sales and marketing	\$85,736	\$116,299	\$30,563	36%

The increase in sales and marketing expense of \$30.6 million was primarily due to a \$17.3 million increase in personnel costs largely associated with an increase in headcount. Stock-based compensation accounted for \$0.6 million of the increase in personnel costs. Demand generation programs, including advertising, sponsorships and brand awareness efforts aimed at acquiring new customers increased \$4.0 million. Selling expenses, including travel and meeting costs as well as the costs of software subscriptions, increased \$3.9 million. In addition, sales commissions increased \$2.7 million from increased sales and the amortization of deferred commissions, net of an \$8.8 million reduction in commissions expense as a result of the adoption of ASC 606. Allocated overhead increased \$2.1 million driven by both the increase in headcount and the overall increase in such costs on a year-over-year basis.

Research and Development

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Research and development	\$40,085	\$57,673	\$17,588	44%

The increase in research and development expense of \$17.6 million was primarily due to a \$12.7 million increase in personnel costs largely associated with an increase in headcount. Stock-based compensation accounted for \$1.2 million of the increase in personnel costs. Other expenses primarily including event and travel costs increased \$2.0 million. In addition, third-party cloud infrastructure costs increased \$1.7 million related to the development of new and future offerings and allocated overhead increased \$1.2 million driven by both the increase in headcount and the overall increase in such costs on a year-over-year basis.

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General and Administrative

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
General and administrative	\$20,164	\$28,927	\$8,763	43%

The increase in general and administrative expense of \$8.8 million was primarily due to a \$5.6 million increase in personnel costs largely associated with an increase in headcount. Stock-based compensation accounted for \$3.4 million of the increase in personnel costs. In addition, professional fees increased \$1.0 million and allocated overhead increased \$0.6 million driven by both the increase in headcount and the overall increase in such costs on a year-over-year basis.

Other Expense, net

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Other expense, net	\$ 532	\$ 91	\$(441)	(83)%

The decrease in other expense, net of \$0.4 million was driven by a \$0.4 million reduction in net foreign currency transaction losses.

Provision for Income Taxes

	Year Ended December 31,		Change	
	2016	2017	\$	%
	(dollars in thousands)			
Provision for income taxes	\$ 843	\$ 171	\$(672)	(80)%

The decrease in the provision for income taxes of \$0.7 million was primarily related to income taxes in foreign jurisdictions in relation to income from foreign operations.

Liquidity and Capital Resources

Since our inception, we have financed our operations through cash provided by operations, including payments received from customers using our software products and services, and we have not raised any primary institutional capital prior to this offering. The proceeds of our Series A and Series B redeemable convertible preferred stock financings were used to repurchase shares of capital stock from former stockholders. We had cash and cash equivalents consisting of bank deposits and money market funds of \$27.2 million at December 31, 2017, of which \$5.8 million was held by foreign subsidiaries. We have generated significant operating losses from our operations as reflected by our accumulated deficit of \$392.6 million at December 31, 2017.

We typically invoice our customers annually in advance and, to a lesser extent, multi-year in advance. Therefore, a substantial source of our cash is from such prepayments, which are included on our consolidated balance sheets as deferred revenue. Deferred revenue consists primarily of the unearned portion of billed fees for our subscriptions and perpetual licenses, which is subsequently recognized as revenue in accordance with our revenue recognition policy. At December 31, 2017 we had deferred revenue of \$225.8 million, of which \$154.9 million was recorded as a current liability and is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria are met.

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Our principal uses of cash in recent periods have been funding our operations, expansion of our sales and marketing and research and development activities and investments in infrastructure. We expect to continue incurring operating losses and generating negative cash flows from operations in the near-term; however, we believe that our existing cash and cash equivalents, together with amounts available under the revolving credit facility, will be sufficient to fund our operating and capital needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth rate, subscription renewal activity, the timing and extent of spending to support further infrastructure and research and development efforts, the timing and extent of additional capital expenditures to invest in new and existing office spaces, such as our new corporate headquarters, the expansion of sales and marketing and international operating activities, the timing of introduction of new product capabilities and enhancements of our platform and the continuing market acceptance of our platform.

We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We may be required to seek equity or debt financing. In the event that financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

Credit Facility

In May 2017, we entered into a \$25.0 million revolving credit facility with Silicon Valley Bank. Pursuant to the terms of the revolving credit facility, we may issue up to \$5.0 million of letters of credit, which reduce the total amount available for borrowing under such facility. The revolving credit facility terminates on May 4, 2020. To date, we have not borrowed any amounts under the revolving credit facility.

Interest on borrowings under the revolving credit facility accrues at a variable rate tied to the prime rate or the LIBOR rate, at our election. Interest is payable quarterly in arrears. We are required to pay an annual commitment fee that accrues at a rate of 0.25% per annum on the unused portion of the borrowing commitment.

The revolving credit facility contains customary conditions to borrowing, events of default and covenants, including restrictions on indebtedness, liens, acquisitions and investments, restricted payments and dispositions. If, as of the last day of any quarter, the outstanding balance of the revolving credit facility exceeds \$5 million, there are financial covenants that require us to maintain a minimum level of earnings before income taxes, interest, depreciation and amortization adjusted to add changes in deferred revenue for the period and a minimum current ratio level. We were in compliance with all covenants under the revolving credit facility at December 31, 2017.

Cash Flows

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

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Net cash used in operating activities	\$(2,785)	\$(6,528)
Net cash used in investing activities	(7,851)	(2,755)
Net cash provided by financing activities	1,363	2,091
Effect of exchange rate changes on cash and cash equivalents	—	(68)
Net decrease in cash and cash equivalents	<u>\$(9,273)</u>	<u>\$(7,260)</u>

Operating Activities

Our principal source of operating cash is cash collections from our customers for software subscriptions and perpetual licenses. Our primary uses of cash from operating activities are for employee-related expenditures, infrastructure-related costs and marketing expenses. Net cash used in operating activities is impacted by our net loss adjusted for certain non-cash items, including stock-based compensation, depreciation and amortization, as well as the effect of changes in operating assets and liabilities.

In 2017, net cash used in operating activities was \$6.5 million, which primarily consisted of our \$41.0 million net loss, adjusted for stock-based compensation expense of \$7.8 million and depreciation and amortization of \$4.7 million, as well as a net cash inflow of \$22.8 million from operating assets and liabilities. The net inflow from operating assets and liabilities was primarily due to an increase of \$63.4 million in deferred revenue, excluding the cumulative impact of adopting the new revenue recognition guidance, from increased subscription sales as a majority of our customers are invoiced in advance partially offset by a \$14.8 million increase in accounts receivable. In addition, deferred commissions increased \$20.1 million, excluding the cumulative impact of adopting the new revenue recognition guidance. The increase in net cash used in operating activities in 2017 compared to 2016 was primarily due to an increase in our net loss, adjusted for stock-based compensation and depreciation and amortization, as well as a lower net cash inflow from changes in operating assets and liabilities.

In 2016, net cash used in operating activities was \$2.8 million, which primarily consisted of our \$37.2 million net loss, adjusted for depreciation and amortization of \$3.1 million and stock-based compensation expense of \$2.5 million, as well as a net cash inflow of \$27.9 million from changes in operating assets and liabilities. The net inflow from operating assets and liabilities was primarily due to an increase of \$44.2 million in deferred revenue from increased subscription sales as a majority of our customers are invoiced in advance partially offset by a \$13.6 million increase in accounts receivable.

Investing Activities

Net cash used in investing activities is primarily impacted by purchases of property and equipment, particularly for making improvements to existing and new office spaces and purchasing furniture and equipment.

In 2017, net cash used in investing activities was \$2.8 million, which primarily consisted of capital expenditures related to leasehold improvements for office build-outs. The decrease in cash used in investing activities in 2017 compared to 2016 was primarily due to a reduction in capital expenditures for infrastructure equipment and leasehold improvements.

In 2016, net cash used in investing activities was \$7.9 million, which primarily consisted of capital expenditures related to our infrastructure and leasehold improvements for office build-outs, as well as our acquisition of a company for \$2.1 million.

Financing Activities

Net cash provided by financing activities is primarily impacted by proceeds from the exercise of stock options, capital lease obligations for our infrastructure equipment and repurchases of common stock.

In 2017, net cash provided by financing activities was \$2.1 million, which primarily consisted of \$3.0 million of proceeds from the exercise of stock options offset by principal payments of capital lease obligations, credit facility issuance costs and repurchases of common stock. The increase in cash provided by financing activities in 2017 compared to 2016 was primarily due to an increase of proceeds from the exercise of stock options.

In 2016, net cash provided by financing activities was \$1.4 million, which primarily consisted of \$1.0 million in proceeds from the state of Maryland as an economic incentive.

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Contractual Obligations

The following table summarizes our contractual obligations at December 31, 2017:

	Total	Less than 1 year	1-3 years (in thousands)	3-5 years	More than 5 years
Operating lease commitments ⁽¹⁾	\$82,940	\$ 3,825	\$ 7,631	\$13,632	\$ 57,852
Capital lease commitments	1,697	572	1,073	52	—
Non-cancellable purchase obligations	9,440	5,632	3,808	—	—
Total contractual obligations	<u>\$94,077</u>	<u>\$10,029</u>	<u>\$12,512</u>	<u>\$13,684</u>	<u>\$ 57,852</u>

(1) Consists of future non-cancelable minimum rental payments under operating leases for our offices including \$68.2 million of future lease payments related to the lease of our new headquarters, which is currently being constructed. These lease payments are expected to commence in the fourth quarter of 2020.

Not included in the table above is a \$1.8 million financing obligation related to our build-to-suit lease for our future corporate headquarters, \$1.2 million of unrecognized tax benefits and \$0.9 million of asset retirement obligations, because the timing of future cash outflows is uncertain.

In October 2017, we entered into a new lease agreement for office space in Columbia, Maryland to serve as our new corporate headquarters. We currently anticipate to incur approximately \$6 million of capital expenditures in excess of the tenant improvement reimbursement associated with the build-out. We plan to take possession of our new corporate headquarters in mid-2019, at which time we will begin to record rent expense. We expect to start making recurring rental payments under the lease in the fourth quarter of 2020. Included in the operating lease commitments above are total expected minimum obligations under the lease agreement of \$68.2 million, which exclude \$16.0 million of expected tenant improvement reimbursements and incentives from the landlord and variable operating expenses. We have also excluded a \$2.5 million security deposit, which may be increased to \$5.0 million, that is expected to be paid in advance of occupancy. At our option, we may deposit cash or provide an unconditional letter of credit, which would reduce the borrowing capacity under our revolving credit facility.

We are contractually obligated for our current corporate headquarters through May 2021. However, unless we transfer our contractual obligation, we will continue to include the committed lease payments for our current corporate headquarters in the table above.

Off-Balance Sheet Arrangements

At December 31, 2017, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business, including interest rate, foreign currency exchange and inflation risks.

Interest Rate Risk

We had cash and cash equivalents of \$27.2 million at December 31, 2017, consisting of cash deposits and money market funds. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates.

We have not had any amounts outstanding under the revolving credit facility since it was established in May 2017. Any borrowings under the revolving credit facility would bear interest at a variable rate tied to the prime rate or the LIBOR rate. We do not have any other long-term debt or financial liabilities with floating interest rates that would subject us to interest rate fluctuations.

A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Foreign Currency Exchange Risk

Substantially all of our sales contracts are denominated in U.S. dollars, with a limited number of contracts denominated in foreign currencies. A portion of our operating expenses are incurred outside the United States, denominated in foreign currencies and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound and Australian dollar. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize remeasurement and transaction gains (losses) in our consolidated statements of operations. As the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Inflation Risk

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

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

The critical accounting estimates, assumptions and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

We early adopted ASC 606 on January 1, 2017 using the modified retrospective method and applying the guidance to all contracts as of January 1, 2017.

The core principle of ASC 606 is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve the core principle of ASC 606, we apply the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

We generate revenue from subscription arrangements for our software and cloud-based solutions, perpetual licenses, maintenance associated with perpetual licenses and professional services and other revenue.

Subscription Revenue

Our subscription arrangements generally have annual or multi-year contractual terms and allow customers to use our software or cloud solutions, including ongoing software updates and the ability to identify the latest cybersecurity vulnerabilities. Revenue is recognized ratably over the subscription term given the critical utility provided by the ongoing updates that are released throughout the contract period.

Perpetual License and Maintenance Revenue

Our perpetual licenses are generally sold with one or more years of maintenance, which include ongoing software updates and the ongoing ability to identify the latest cybersecurity vulnerabilities. Given the critical utility provided by the ongoing software updates and updated ability to identify network vulnerabilities included in maintenance, we combine the perpetual license and the maintenance into a single performance obligation. Perpetual license arrangements generally contain a material right related to the customer's ability to renew maintenance at a price that is less than the initial license fee. The estimated transaction price for the single performance obligation, including the material right, is recognized as revenue over an estimated economic life. We have estimated this economic life of perpetual license contracts to be five years, based on historical contract attrition, expected renewal periods, the lifecycle of our technology and other factors. While we believe that the estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results.

Professional Services and Other Revenue

Professional services and other revenue is primarily comprised of advisory services and training related to the deployment and optimization of our products. These services do not result in significant customization of our products. Professional services and other revenue is recognized as the services are performed.

Contracts with Multiple Performance Obligations

In cases where our contracts with customers contain multiple performance obligations, the contract transaction price is allocated on a relative standalone selling price basis. We typically determine standalone selling price based on observable selling prices of our products and services.

Variable Consideration

We record revenue from sales at the net sales price, which is the transaction price, including estimates of variable consideration when applicable. Certain of our customers may be entitled to receive credits and in certain circumstances, refunds, if service level commitments are not met. We have not historically experienced significant incidents affecting the ability to meet these service level commitments and any estimated refunds related to these agreements have not been material.

Sales through our channel partner network of distributors and resellers are generally discounted as compared to the price that we would sell to an end user. Revenue for sales through our channel network, which is fixed, is recorded net of any distributor or reseller margin.

Legacy Revenue Accounting Policies

For periods prior to January 1, 2017, we recognized revenue when all the following criteria were met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) the fee is fixed or determinable and (4) collectability is reasonably assured.

We recognized subscription revenue ratably over the term of the subscription period in accordance with ASC 605, *Revenue Recognition*. When subscription arrangements involved multiple elements that qualified as

separate units of accounting, we allocated arrangement consideration at the inception of the arrangement to all deliverables based on the relative selling price method in accordance with the selling price hierarchy, which included (i) vendor-specific objective evidence, or VSOE, if available, (ii) third-party evidence, or TPE, if VSOE was not available, and (iii) best estimate of selling price, or BESP, if neither VSOE nor TPE were available. When VSOE could not be established for deliverables within subscription arrangements, we utilized BESP in our allocation of arrangement consideration, as it generally could not establish TPE. BESP was determined by considering multiple factors including, but not limited to, prices charged for similar offerings, market conditions, competitive landscape and pricing practices.

We recognized perpetual license revenue upon delivery of the license in accordance with ASC 985-605, *Software—Revenue Recognition*. We established VSOE of fair value for substantially all products and services with the exception of new subscription agreements and perpetual licenses. VSOE was established for maintenance and support based upon actual renewals and historical pricing when sold separately. Revenue from maintenance agreements was deferred and recognized ratably over the term of the maintenance period. The VSOE of fair value for professional services was based on the price for these same services when they were sold separately.

Other services revenue was recognized as the services were performed.

Deferred Commissions

In connection with our adoption of ASC 606, sales commissions, including related incremental fringe benefit costs, are considered to be incremental costs of obtaining a contract, and therefore are deferred over an estimated period of benefit, which ranges between three and four years for subscription arrangements and five years for perpetual license arrangements. We have estimated the period of benefit based on the expected contract term including renewal periods, the lifecycle of our technology and other factors. Sales commissions on contract renewals are capitalized and amortized ratably over the contract term, with the exception of contracts with renewal periods that are one year or less, in which case the incremental costs are expensed as incurred. While we believe that the estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results.

Prior to January 1, 2017, we capitalized sales commissions for subscriptions and recognized the expense over the corresponding period in which the related revenue was recognized. Commissions on perpetual license sales were recognized upon the delivery of the license.

Stock-Based Compensation

Stock-based compensation expense is calculated based on the fair value of the awards granted and is recognized on a straight-line basis over the requisite service period of the awards, which is generally three to four years. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model, which requires us to make assumptions and judgements, including the fair value of the underlying common stock, expected term, expected volatility and risk-free interest rates. The fair value of restricted stock is based on the estimated fair value of our common stock at the date of the grant.

Prior to January 1, 2017, we recognized stock-based compensation expense net of estimated forfeitures. We adopted Accounting Standards Update, or ASU, No. 2016-09—Compensation—Stock Compensation (Topic 718): *Improvement to Employee Share-based Payment Accounting*, or ASU 2016-09, on January 1, 2017 and made an accounting policy election to account for forfeitures as they occur. This election was applied on a modified retrospective basis, resulting in a cumulative-effect adjustment to increase accumulated deficit by \$0.1 million.

ASU 2016-09 also requires excess tax benefits and tax deficiencies be recorded in the income statement as opposed to additional paid-in capital when the awards vest or are settled, and we applied this on a prospective

basis beginning on January 1, 2017. In addition, ASU 2016-09 eliminated the requirement that excess tax benefits be realized before they can be recorded. As a result, on January 1, 2017, we recorded a \$1.9 million deferred tax asset attributable to excess tax benefits from stock-based compensation, which had not been previously recognized, with a corresponding increase to the valuation allowance.

Estimating the fair value of stock options using the Black-Scholes option-pricing model requires assumptions as to the fair value of our underlying common stock, the estimated term of the option, the risk free interest rates, the expected volatility of the price of our common stock and the expected dividend yield. The assumptions used to estimate the fair value of the option awards reflect our best estimates. If any of the assumptions change significantly, stock-based compensation for future awards may differ significantly compared with the awards granted previously.

The assumptions and estimates are as follows:

- Fair Value of Common Stock—see “Common Stock Valuations” discussion below.
- Expected Term—This is the period of time that the options granted are expected to remain unexercised. We employ the simplified method to calculate the average expected term.
- Volatility—This is a measure of the amount by which a financial variable, such as a share price, has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. As we do not yet have sufficient history of our own volatility, we have identified several public entities of similar size, complexity and stage of development and estimate volatility based on the volatility of these companies.
- Risk-Free Interest Rate—This is the U.S. Treasury rate, having a term that most closely resembles the expected life of the stock option.
- Dividend Yield—We have not and do not expect to pay dividends on our common stock.

Common Stock Valuations

Prior to our initial public offering, the lack of an active public market for our common stock requires our board of directors to exercise reasonable judgement and consider a number of factors in order to make the best estimate of fair value of our common stock, in accordance with the technical practice-aid issued by the American Institute of Certified Public Accountants Practice Aid entitled *Valuation of Privately-Held Company Equity Securities Issued as Compensation*. Factors considered in connection with estimating the fair value of our common stock underlying our award of restricted stock and stock option awards when performing the fair value calculations with the Black Scholes option-pricing model included:

- The results of independent third-party valuations of our common stock
- Recent arm’s length transactions involving the sale or transfer of our common stock
- The rights, preferences and privileges of our Series A and Series B redeemable convertible preferred stock relative to those of our common stock
- Our historical financial results and future financial projections
- The market value of equity interests in substantially similar businesses, which equity interests can be valued through nondiscretionary, objective means
- The lack of marketability of our common stock
- The likelihood of achieving a liquidity event, such as an initial public offering given prevailing market conditions
- Industry outlook

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- General economic outlook including economic growth, inflation and unemployment, interest rate environment and global economic trends

As described above, the exercise price of our stock option awards was determined by our board of directors, with input from management, taking into account the factors described above, using a combination of valuation methodologies with varying weighting applied to each methodology as of the grant date.

Application of these approaches involves the use of estimates, judgment and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and future cash flows, discount rates, market multiples, the selection of comparable companies and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

The following table summarizes by grant date the number of shares of common stock subject to stock options and awards of restricted stock granted from January 1, 2017 through the date of this prospectus, as well as the associated per share exercise price for options granted and the estimated fair value per share of our common stock on the grant date.

Grant Date	Number of Shares Underlying Equity Awards Granted	Exercise Price per Share for Options Granted	Fair Value per Share
January 18, 2017	5,110,571	\$ 4.25	\$ 4.25
January 18, 2017	1,582,685	— (1)	4.25
February 23, 2017	87,000	4.25	4.25
February 27, 2017	1,170,000	4.25	4.25
May 23, 2017	716,000	5.96	5.96
June 26, 2017	559,500	7.75	7.75
July 26, 2017	49,000	7.75	7.75
September 19, 2017	373,500	7.75	7.75
September 20, 2017	10,000	7.75	7.75
September 25, 2017	25,000	7.75	7.75
October 26, 2017	410,500	9.66	9.66
December 7, 2017	348,000	9.66	9.66
December 21, 2017	83,000	9.66	9.66
December 29, 2017	80,000	9.66	9.66
February 21, 2018	722,000	10.97	10.97
March 14, 2018	443,000	10.97	10.97

(1) Represents award of restricted stock.

Following this offering, it will not be necessary for the board of directors to estimate the fair value of our common stock, as the shares will be traded in the public market.

Based upon the initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the aggregate intrinsic value of outstanding stock options as of December 31, 2017 was \$ million, with \$ million related to vested stock options, and the value of restricted stock outstanding as of December 31, 2017 was \$ million.

Income Taxes

We are subject to federal, state and local taxes in the United States as well as numerous international jurisdictions. These foreign jurisdictions have different statutory tax rates than the United States. Earnings generated by our international entities are related to transfer pricing requirements as applicable under local jurisdiction tax laws.

We record a provision for income taxes under the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities, net operating loss carryforwards and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. We have valuation allowances in all jurisdictions against deferred tax assets net of deferred tax liabilities that will reverse and provide a source of taxable income. Our evaluation of valuation allowances could change in the future and the impact could have a material impact on our financial statements.

We recognize tax benefits from an uncertain tax position if it is more likely than not to be sustained upon audit by the relevant taxing authority. Interest and penalties associated with such uncertain tax positions are classified as a component of income tax expense.

The Tax Cuts and Jobs Act, or the 2017 Tax Act, was enacted into law, which contains several significant changes to how corporations are taxed in the United States, including the reduction of the corporate income tax rate from 35% to 21% effective January 1, 2018. The new legislation also includes a variety of other changes, such as a one-time repatriation tax on accumulated foreign earnings, or transition tax, acceleration of business asset expensing and reduction in the amount of executive pay that could qualify as a tax deduction.

The 2017 Tax Act also included international tax provisions that will affect the Company, including the favorable tax regime for taxing foreign derived intangible income. Additional international provisions include the global intangible low taxed income, or GILTI, regime and the base erosion anti-abuse tax.

Depending on the jurisdiction, distributions of earnings could be subject to withholding taxes at rates applicable to the distributing jurisdiction. As we intend to continue to reinvest the earnings of foreign subsidiaries indefinitely, we have not provided for a U.S. income tax liability and foreign withholding taxes on undistributed foreign earnings of foreign subsidiaries.

We have not yet completed the accounting for the tax effects of the enactment of the 2017 Tax Act, but have made a reasonable estimate of the effects on existing deferred tax balances and the one-time transition tax. We will continue to evaluate our transition tax obligation and application of GILTI and we have not yet made an election with regard to GILTI. Subsequent adjustments resulting from additional analysis may be recorded in 2018 when our analysis is expected to be completed and any adjustments may materially impact our provision for income taxes in the period in which the adjustments are made.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Recently Issued Accounting Pronouncements

Refer to Note 2 to our consolidated financial statements included elsewhere in this prospectus for more information regarding recently issued accounting pronouncements.

BUSINESS

Overview

We are the first and only provider of solutions for a new category of cybersecurity called Cyber Exposure. Cyber Exposure is a discipline for managing and measuring cybersecurity risk in the digital era. We are building on our deep technology expertise in the traditional vulnerability assessment and management market and expanding that market to include modern attack surfaces and provide business insight.

Digital transformation is driving radical change. As organizations modernize their IT infrastructure and adopt cloud or hybrid cloud architectures that are no longer housed in the confines of their corporate networks, they have less visibility and control over the security of these assets. Organizations are also increasingly implementing modern solutions, such as Internet of Things, or IoT, devices and application containers, to enable the rapid development and deployment of new products, services and business models, as well as to drive operational efficiencies. Further, safety-critical Operational Technology, or OT, such as Industrial Control Systems, are now network-connected and need to be secured from cybersecurity threats. This digital transformation increases IT complexity and cybersecurity risk as attack surfaces expand. We refer to an organization's inability to see the breadth of the modern attack surface and analyze the level of cyber exposure as the Cyber Exposure Gap.

While other functions in an organization, such as finance and operations, have a system to help them manage and measure risk, to date, cybersecurity risk has not been adequately measured and understood. Our platform is built to be the Cyber Exposure Command Center for an organization's Chief Information Security Officer, or CISO. Our platform provides the CISO with unified visibility into the organization's state of security and enables security teams to prioritize and focus their remediation efforts. Our platform also translates vulnerability data into actionable business metrics and insights that boards of directors and executives can understand and use to make strategic decisions. We believe our Cyber Exposure solutions are transforming how security is managed and measured and will help organizations more rapidly embrace digital transformation.

Our enterprise platform offerings include Tenable.io and SecurityCenter. Tenable.io is our software as a service, or SaaS, offering that manages and measures cyber exposure across a range of traditional IT assets, such as networking infrastructure, desktops and on-premises servers, and modern assets, such as cloud workloads, containers, web applications, IoT and OT assets. SecurityCenter is built to manage and measure cyber exposure across traditional IT assets and can be run on-premises, in the cloud or in a hybrid environment. Our platform offerings provide broad visibility into security issues such as vulnerabilities, misconfigurations, internal and regulatory compliance violations and other indicators of the state of an organization's security. We also provide deep analytics to help organizations measure trends in their cyber exposure over time. Our platform integrates and analyzes data from our native collectors alongside IT asset, vulnerability and threat data from third-party systems and applications to prioritize security issues for remediation and focus an organization's resources based on risk and business criticality. Later in 2018, we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers.

We believe that our long history in vulnerability management provides us with a significant competitive advantage in closing the Cyber Exposure Gap. We have been an integral part of the cybersecurity market for nearly two decades, initially by helping organizations assess their IT environments for vulnerabilities. Our co-founder is the creator of Nessus, one of the most widely deployed vulnerability assessment solutions in the cybersecurity industry, which underpins our enterprise platform offerings. Since the introduction of Nessus in 1998, an extensive community of Nessus users has emerged. We continue to cultivate knowledge and affinity within this user base, which, when combined with our enterprise customers and our Tenable Research team of cybersecurity and data science experts, creates powerful network effects in the form of a continuous feedback loop of data and insights. We use these learnings to expand our assessment capabilities and coverage, continually optimize our solutions and inform our product strategy and innovation priorities. These data and insights will

also fuel and strengthen our benchmarking capabilities over time. We believe the breadth and scale of our data asset is a sustainable advantage and, as the size of our network increases, the value of our data and insights increases and extends our competitive barrier.

We believe we have a differentiated business model in the cybersecurity industry that combines the adoption benefits of our free version of Nessus, Nessus Home, and our paid version of Nessus, Nessus Professional, both of which serve as on-ramps for customers and potential customers to migrate to our enterprise platform. Our free version of Nessus has had approximately two million cumulative users over the past 20 years, which we believe has created broad familiarity and affinity with our products, as well as mindshare among the overwhelming majority of security practitioners. Among our approximately 19,000 Nessus Professional customers, we believe we have significant opportunity to drive adoption of our enterprise platform offerings.

As of December 31, 2017, we had more than 24,000 customers across Tenable.io, SecurityCenter and Nessus Professional. Our customers include enterprises of all sizes located in over 160 countries, including over 50% of the Fortune 500 and 20% of the Global 2000 organizations, as well as government agencies around the world.

We have experienced rapid growth in recent periods. Our enterprise platform offerings are primarily sold on an annual prepaid subscription basis. For the years ended December 31, 2016 and 2017, our total revenue was \$124.4 million and \$187.7 million, respectively, representing a year-over-year growth rate of 51%. In both 2016 and 2017, our recurring revenue represented 86% of our total revenue. Our net loss was \$37.2 million and \$41.0 million for the years ended December 31, 2016 and 2017, respectively. Our free cash flow was \$(8.6) million and \$(9.3) million for the years ended December 31, 2016 and 2017, respectively. We have not raised any primary institutional capital prior to this offering. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for further description and analysis of our financial results and “Selected Consolidated Financial Data—Non-GAAP Financial Measures” for a discussion of how we calculate free cash flow.

Industry Background

Digital Transformation Increases IT Complexity and Cybersecurity Risk

Organizations of all sizes across industries are embracing digital transformation in order to seek competitive advantages. New digital technologies and modern compute platforms enable organizations to rapidly deliver new products and services, create agile business models and revenue streams and enhance levels of operational efficiency. While digital transformation creates new opportunities, the underlying technologies and platforms that enable this transformation dramatically increase IT complexity and overall cybersecurity risk by creating a significantly expanding attack surface for hackers to exploit. These areas include:

- *Modernization of IT infrastructure and adoption of cloud computing.* The cost and agility benefits of cloud computing make it a desirable platform for organizations of all sizes. According to Cisco, the number of discrete cloud workloads is expected to increase from 262 million to 534 million between 2017 and 2021, representing a 19% compound annual growth rate. However, as organizations modernize their legacy IT infrastructure and adopt cloud or hybrid cloud architectures that are no longer housed in the confines of their corporate networks, organizations have less visibility and control over the security of these assets. Cloud workloads are dynamic in nature, making it increasingly difficult for organizations to accurately account for their assets, as well as to understand and monitor their overall cyber exposure at any given time. Furthermore, organizations want the flexibility to move workloads among multiple public and hybrid cloud environments, limiting the effectiveness of security tools provided by individual public cloud providers.
- *The growth of applications.* The number of applications and frequency of releases have grown substantially in recent years. Furthermore, these applications are often developed outside of traditional

development processes, sometimes bypassing traditional security controls. These applications store and transmit sensitive company and customer data, making them critical IT assets to protect. As more applications are released, the potential attack surface expands and requires additional protection. In addition, the need for users to access applications from anywhere means more IT assets that are connected to the Internet, further increasing organizations' vulnerability to cyberattacks.

- *The rise of DevOps.* The increased need for application development velocity has resulted in the rise of DevOps, or software development practices and tools that increase an organization's ability to rapidly deliver applications and services. In a DevOps model, which allows new application features to be deployed on an hourly to daily basis, building security into the application development process is extremely difficult. Technologies like microservices, which structure an application as a collection of loosely coupled services, and application containers, which are lightweight, portable pieces of software used to package applications and services, have emerged to support DevOps processes. IDC, a market research firm, estimates that the installed base of container instances will grow from 0.5 billion in 2017 to 3.0 billion in 2021, representing a 58% compound annual growth rate. These critical and short-lived assets are deployed rapidly, creating the need for new approaches that eliminate blind spots for security teams.
- *The proliferation of IoT devices in the enterprise.* Organizations are seeing a significant rise in the Internet of Things, or IoT, a set of physical devices embedded with software and sensors that enable these assets to connect to the Internet and exchange data. According to Gartner, there will be an estimated 9.1 billion IoT devices deployed in the enterprise by 2021.⁽¹⁾ These connected devices range from HVAC systems to electric generators. While they serve as a way to collect and transmit operational data to enhance business operations, they also create new points of attack for hackers due to their connectivity with many business-critical systems. For example, video conferencing systems can be hacked to eavesdrop into confidential discussions, HVAC systems can be breached to gain access to customer data on central servers, and manufacturing equipment can be compromised to shut down the plant or business operations of a company.
- *IT / OT convergence.* While IoT devices are relatively new technologies, OT, such as Industrial Control Systems used in industries like manufacturing, power generation and oil and gas processing, have existed for years. These critical systems were not originally designed with network connectivity and IT security in mind and instead were intended to be isolated from cybersecurity threats and the broader network. However, as organizations are being driven to connect all aspects of their infrastructure, OT assets are increasingly being connected to IT networks, even though the tools and approaches used for IT security were not designed to protect OT assets. Due to the nature of these assets, a cyberattack on an OT asset is not just a matter of business disruption; it can also be a public safety concern, making their security a critical issue for organizations.

Cybersecurity Risk is Business Risk, Yet Organizations Lack the Insight to Guide Decisions

Cybersecurity risk is no longer a tactical technology issue for IT professionals alone, but rather a strategic business issue. The rapid expansion of attack surfaces caused by digital transformation has increased cybersecurity risk for organizations of all sizes. This is evidenced by the wave of high profile breaches over the past few years, which are not only increasing in severity, but also resulting from cybersecurity breaches across a range of digital assets, from web applications to cloud workloads to IoT and OT assets. Recent breaches have resulted in CEOs testifying in front of Congressional committees about their cybersecurity operations and risk management practices. Executives and boards of directors are struggling to effectively understand and manage their organizations' cybersecurity risk in response to mandates from insurers, regulators, shareholders and consumers. For example, the Securities and Exchange Commission recently released new interpretive guidance on cybersecurity risk disclosure and initiated enforcement actions, further focusing attention on this problem.

(1) Gartner, Forecast Analysis: Internet of Things — Services, Worldwide, 2017 Update, dated December 28 2017.

CISOs are increasingly being asked to present to executives and boards of directors on the state of their organization's security readiness. Boards seek to understand how secure their organization is, where the greatest risks are, how much they should be investing to reduce risk and how their organization compares to their industry peers and best-in-class organizations. However, CISOs who are relying on existing tools can often only produce vulnerability data that may list thousands to millions of potential security problems with no business insight or prioritization based on risk and business criticality. As boards focus their attention on understanding and benchmarking their cyber exposure, CISOs need solutions that translate this vulnerability data into actionable business insights that help to answer strategic questions as to how secure an organization is, thereby allowing boards to proactively understand and exercise the appropriate oversight of cybersecurity risk.

Existing Solutions Fall Short of Addressing Cyber Exposure

Many organizations have implemented vulnerability assessment and management tools that scan networks for vulnerabilities on traditional IT systems on scheduled intervals and present raw lists of technical issues.

These traditional solutions fall short on two key dimensions:

- *Lack of visibility across the breadth of the modern attack surface.* Many solutions were designed before the rise of cloud, containers and IoT, and focus instead on traditional IT systems such as networking infrastructure, desktops and on-premises servers. With the increase in software release frequency, along with the dynamic nature of cloud workloads and containers, assets must be assessed in a more continuous manner. Many traditional solutions are unable to keep pace with assessing dynamic assets and cloud environments, which is hindering cloud adoption. In addition, many IoT devices and OT systems cannot be assessed with traditional methods, such as active scanning and agent-based scanning, because they do not respond to general inbound communications, do not communicate via the IP protocol or do not allow the installation of agents. Additionally, many OT systems can be knocked offline by active scanning, thus precluding their use with critical infrastructure.
- *Inability to translate vulnerability data into business insights.* The proliferation of digital technologies and compute platforms, coupled with the rise in the number of vulnerabilities, leave even the most sophisticated and heavily-resourced security teams lacking the context to prioritize remediation efforts. Simply relying on a raw list of issues is no longer sufficient for either IT prioritization or translation of vulnerabilities into business insights. Traditional tools lack both the prioritization and deep analytics that security teams, the CISO, executives and boards of directors can use to assess the business impact of cybersecurity risk, benchmark their cybersecurity against industry peers and make more informed business decisions.

We believe these shortfalls of traditional solutions will continue to drive increased demand for Cyber Exposure solutions as organizations seek a unified platform to secure a broad range of IT assets and cloud environments, as well as the ability to translate vulnerability data into business insights.

In addition to traditional vulnerability management tools, organizations typically have dozens to hundreds of security tools deployed that address different parts of security but do not address the Cyber Exposure problem specifically. These include:

- *Protection technologies*, such as firewall, anti-virus and intrusion prevention technologies designed to build a fence around an enterprise and protect organizations from an outside attack; and
- *Detection and response technologies*, such as endpoint security, network access control and security information and event management, or SIEM, tools designed to rapidly detect, contain and remediate an issue once it has been identified.

These point solutions are designed to collect, understand and react to threat activity and take action based on it. Such technologies were not designed to answer fundamental strategic questions about the organization's state of security.

We believe that market adoption of Cyber Exposure will reduce the relevance of traditional vulnerability management tools as well as some point security software solutions in adjacent markets that were not designed to address Cyber Exposure. We believe continued market adoption will shift investment from traditional solutions to Cyber Exposure solutions, and that we will be able to increase our share of these existing markets over time.

Our Solution

Our vision is to empower every organization to understand and reduce their cybersecurity risk. We are the first and only platform designed to provide broad visibility and deep insights into cyber exposure across the entire modern attack surface.

Our enterprise platform is built to serve as the Cyber Exposure Command Center, enabling organizations to answer foundational and strategic questions such as:

- Where are we exposed?
- Where should we prioritize based on risk?
- Are we reducing our exposure over time?
- How do we compare to our peers?

Our enterprise platform offerings include Tenable.io and SecurityCenter. With our platform, our customers are able to gain visibility into their cyber exposure, prioritize remediation efforts based on risk and business criticality and benchmark cybersecurity risk in order to guide strategic decisionmaking. The core capabilities of our platform include live discovery, automated exposure assessment, deep analytics for prioritization, an open and extensible platform and cyber exposure measurement.

Cyber Exposure is becoming a strategic component of every organization's security technology stack to help understand and reduce cybersecurity risk. Our Cyber Exposure platform delivers the following key business benefits for our customers:

- **Visibility across a breadth of assets.** We provide customers with broad visibility into the full range of attack surfaces within a single platform. Our solutions cover traditional assets, such as networking infrastructure, desktops and on-premises servers, as well as modern assets, such as cloud workloads, containers, web applications, IoT and OT assets that reside both inside and outside of a customer's corporate network. Our solutions provide a range of continuous discovery and assessment techniques applied to the entire scope of a customer's IT infrastructure, including active scanning, passive network monitoring, agent-based scanning, workload image scanning, web application scanning and public cloud workload assessment.
- **Depth of analytics to prioritize issues and measure cybersecurity risk.** Once the asset discovery and assessment information is obtained, our platform is designed to give our customers a comprehensive and objective understanding of their cybersecurity posture and where they are exposed across an organization's entire IT infrastructure. Our solutions integrate and analyze our natively collected data alongside third-party asset, vulnerability and threat data to rapidly prioritize security issues and where to focus an organization's remediation resources based on risk and business criticality. For example, a business-critical system with a remote code execution vulnerability being actively exploited by attackers would be prioritized at a high risk level for remediation, such as applying a patch or isolating the asset. Our analytics use our deep knowledge base, built over 20 years of analyzing vulnerabilities, assets and networks, to provide customers with a quantitative assessment of their cyber exposure, so they know where to focus and how they are improving over time.

All of these factors together help our customers more effectively and efficiently manage cybersecurity risk by focusing security teams and investment where it will have the most business impact. Security practitioners

benefit from an easy-to-use and intuitive interface, while CISOs use our offerings to identify and understand their cybersecurity posture with insightful visuals and meaningful business metrics. We believe these benefits enable organizations to rapidly embrace new digital technologies for competitive advantage while also effectively managing their cyber exposure.

Competitive Strengths

We believe we have the following strengths that drive value to our customers and provide sustainable advantage for us:

- **Deeply trusted brand among large global Nessus community.** Nessus is a widely adopted vulnerability assessment solution, with approximately two million cumulative users over the past 20 years. With approximately 750,000 security professionals in the United States according to CyberSeek, part of the U.S. Commerce Department's National Institute of Standards and Technology, we believe that the substantial majority of security professionals currently use or have used Nessus at some point in their career. We are aware that many cybersecurity professionals started their careers with Nessus, or used it even earlier in an academic setting. We invest significant resources in fostering the Nessus community by providing users with product intelligence, educational content, best practices guidance and a forum for information sharing and professional networking. As a result, this community has developed a deep trust and affinity for Nessus over the past 20 years, which we believe is a competitive advantage difficult to replicate.
- **Our data asset drives significant network effects.** The combination of our extensive community of Nessus users, including our approximately 19,000 Nessus Professional customers and our Tenable Research team of cybersecurity and data science experts together create a continuous feedback loop of vulnerability data, insight and learnings. We use these to expand our assessment capabilities and coverage, continually optimize our solutions and inform our product strategy and innovation priorities. Because of the breadth and scale of our data asset, we are able to provide prioritization capabilities and plan to release products that provide additional benchmarking capabilities. As the size of our network increases, the value of the data and insight increases and further strengthens our competitive position.
- **Differentiated business model.** We believe that our business model is a key differentiator in the cybersecurity market and creates a strong competitive moat by combining the adoption benefits of free software with the economic benefits of a proprietary software business model. Our Nessus user base serves as an efficient, low-cost customer acquisition channel, as the majority of these users have a familiarity with our products, and have built an affinity and trust for our brand and an understanding and respect for our technology. We believe many of the Nessus Home users can become paying customers over time by upgrading to our paid Nessus product, Nessus Professional. Among our approximately 19,000 Nessus Professional customers, we believe we have a significant opportunity to convert customers to our enterprise platform offerings.
- **Powerful assessment capabilities.** Our platform provides broad vulnerability assessment capabilities that cover the full range of IT assets and cloud environments. We built the majority of these assessment capabilities natively into our platform from the ground up, which have been optimized and enhanced over the course of the past 20 years in close collaboration with the security community. In addition, we partner with other companies that possess deep expertise in specific markets and asset types, such as our collaboration with Siemens in the OT market. These partnerships provide us with deep insights into a wider range of assets, which we leverage to further enhance the breadth and depth of our assessment capabilities. We believe we are the only solution in the market with this breadth and depth of assessment capabilities to address the requirements of both traditional and modern IT assets.

Our Opportunity

The traditional vulnerability management market, which includes policy and compliance, and device and application vulnerability assessment, is a large and growing market. According to IDC, these segments of the

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security and vulnerability management market represented \$3.7 billion of IT spend in 2017 and is expected to grow to \$5.8 billion in 2021, representing compound annual growth of 12%.

While we believe the traditional vulnerability market is already an attractive market, we also believe market estimates focus only on traditional attack surfaces. The Cyber Exposure market that we address includes both traditional and modern attack surfaces, such as cloud workloads, a broad range of web applications, containers, IoT and OT.

The Cyber Exposure market is undergoing significant growth. According to Cisco, cloud workloads are expected to increase from 393 million to 534 million between 2019 and 2021, representing a 16% compound annual growth rate. During the same time period, IDC reports that the installed base of container instances will grow from 1.4 billion to 3.0 billion, representing a 48% compound annual growth rate. Connected enterprise IoT devices, which include operational technology such as utilities IoT and manufacturing IoT, are expected to grow from 5.2 billion in 2019 to 9.1 billion in 2021, representing a 32% compound annual growth rate, as reported by Gartner.⁽¹⁾

We estimate our total addressable market, or TAM, will reach approximately \$16 billion in 2019. To calculate our TAM, we first derived the total number of traditional and modern IT assets worldwide based on estimates from industry research. These assets include personal computers, or PCs, servers, business smartphones, IoT units, cloud workloads and containers. Gartner estimates that in 2019, IoT assets will total 5.2 billion units.⁽¹⁾ IDC estimates that the IT environment will include 49 million servers, 395 million PCs, 377 million smartphones and 1.4 billion container instances in 2019.⁽²⁾ Cisco estimates that cloud workloads will reach 393 million in 2019. In total, these various IT assets amount to approximately 8 billion addressable assets in 2019. We then multiplied the total number of addressable assets in our market by our estimates of customer spend per asset.

Growth Strategy

Our objectives are to maintain our market leadership in Cyber Exposure and to capture our large market opportunity. To accomplish these objectives, we intend to:

- **Continue to Acquire New Enterprise Platform Customers.** We believe there is a substantial opportunity to increase adoption of our enterprise platform offerings. We have experienced strong growth in new platform customers due to investments in sales and marketing. We intend to continue to aggressively pursue new customers by adding sales capacity and leveraging our network of channel partners. While many new customers adopt our enterprise platform as their first engagement with us, we also acquire new platform customers by marketing to our approximately 19,000 Nessus Professional customers, particularly those among the Global 2000. In addition, we intend to continue to promote our Nessus offerings to grow our Nessus community, creating strong awareness among security professionals and providing an entry point for potential customers that can lead to additional product sales and broad adoption of our technology.
- **Expand Asset Coverage Within Our Customer Base.** We believe we have a significant opportunity to expand our relationships with our existing customers by targeting additional teams, business units or geographies, pursuing broad enterprise deployments and generally expanding our coverage of their IT assets. There are two primary mechanisms for this expansion:
 - **Traditional Assets.** We believe that we are not yet highly penetrated in our existing customer base for traditional attack surfaces. Customers often cover increasing numbers of their existing IT assets by

⁽¹⁾ Gartner, Forecast Analysis: Internet of Things — Services, Worldwide, 2017 Update, dated 28 December 2017.

⁽²⁾ For a list of all IDC research opinions referenced herein, please see “Industry and Market Data.”

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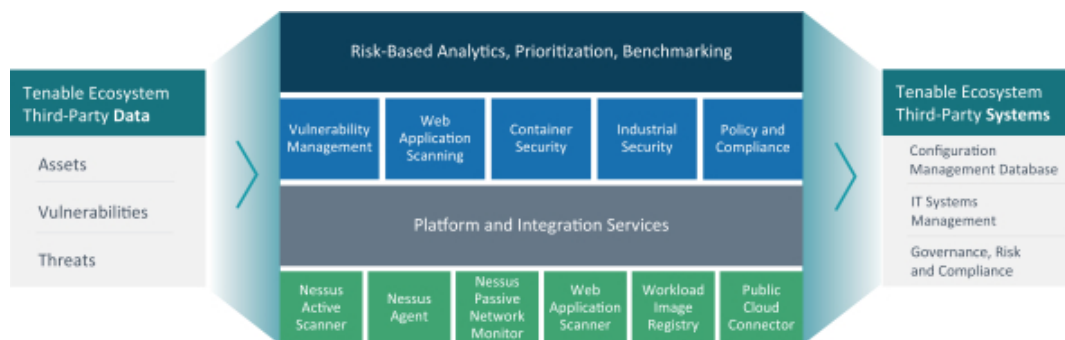
deploying our offerings over a period of time. Additionally, customers experiencing growth in traditional assets tend to increase the size of their deployment with us.

- **Modern Assets.** As our customers increasingly migrate applications to the cloud and deploy web applications, containers, IoT and OT, they will need to assess their cyber exposure to these modern attack surfaces. We believe we can expand our sales of these types of assets to existing customers further by addressing these evolving needs.
- **Invest in Our Technology Platform and Expand Use Cases.** We intend to continue to innovate and develop our enterprise platform, including the addition of incremental capabilities, such as coverage of new attack surfaces and the addition of analytical capabilities to deepen the insight we offer to our customers. We are also investing to expand the number of use cases that leverage our valuable data set. As we collect more data and ingest more data from third-party sources, we believe our data set will become even more valuable over time. In late 2018, we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers. We intend to continue to develop new analytical products and capabilities to our existing product suite over time.
- **Accelerate International Expansion.** For the year ended December 31, 2017, we derived 31% of our revenue from customers outside the United States. We believe there is a substantial opportunity for us to increase our international customer base by leveraging and expanding investments in our technology, direct sales force and channel partnerships around the world. We have recently increased the number of countries in which we have a sales presence and are committed to continuing to expand our sales presence in the over 20 countries in which we currently operate and expect to enter new geographies by investing in our direct and indirect sales channels, professional services and customer support.

Our Platform

We offer the first and only Cyber Exposure platform. Our Tenable.io enterprise platform offering is built to provide organizations with the breadth of visibility to accurately understand both traditional and modern attack surfaces and the depth of insight that stems from risk-based analytics, prioritization and benchmarking. Tenable.io automatically discovers assets, including those in cloud environments, and assesses these assets for the presence of vulnerabilities, internal and regulatory compliance violations, misconfigurations and other cybersecurity issues, analyzes and prioritizes cybersecurity risks based on business risk and provides an objective way to measure an organization's cyber exposure.

The following diagram is a visual representation of our platform:



The foundation of our enterprise platform is our collection of data sensors, which include:

- The *Nessus active scanner*, which actively probes the ports, system applications and user applications of an asset to determine any vulnerabilities or configuration issues, using packets sent over a network to the asset.
- The *Nessus agent*, which is a software application installed on certain types of endpoints, such as a PC, server or cloud workload, that provides similar assessment capabilities as the active scanner, but only checks for vulnerabilities and configuration issues on the device on which it is installed.
- The *Nessus passive network monitor*, which listens to and monitors internal network traffic at the packet layer to detect new and unknown assets on the network, identify assets seen on the network, track which systems are communicating with each other and with external hosts and identify vulnerabilities detectable through network traffic. It observes network traffic passively, rather than actively sending packets to and probing specific assets. Passive network monitoring is the only way to accurately identify many IoT assets, which may not respond to general inbound communications or communicate via the IP protocol, preventing them from being assessed with traditional active scanners. Passive network monitoring is also the only safe, non-intrusive way to detect and assess many OT systems, such as Industrial Control Systems, which can be knocked offline by active scanning and which typically do not communicate via the IP protocol that active scanners use.
- The *web application scanner*, which actively probes an organization's web applications for the types of vulnerabilities commonly found in such applications, identifying vulnerabilities in an organization's own custom-built applications as well as commercial web applications purchased from vendors.
- The *workload image registry*, which is a storage repository that holds container images before they are deployed into production and which automatically analyzes these images for vulnerabilities, configuration issues and malware. This enables security issues in containers to be identified and remediated before vulnerable container instances are deployed.
- The *public cloud connector*, which integrates with the application programming interfaces, or APIs, of public cloud platforms to provide continuous information about cloud workloads as they are deployed and retired, thus delivering live visibility into cloud environments and enabling new cloud workloads to be immediately assessed for vulnerabilities and configuration issues.

Through our open API and software development kit, or SDK, we integrate a variety of third-party data into our platform to enable risk-based prioritization, including asset data to understand business criticality, threat intelligence to understand the severity of the vulnerability and additional vulnerability data. The data we collect and produce is also exported to third-party IT management and security systems, such as configuration management databases that are updated with cyber exposure data, ticketing and IT systems management tools that orchestrate and perform remediation and Governance, Risk and Compliance, or GRC, systems that can use cyber exposure data within the organization's overall corporate risk and compliance framework.

Our platform includes applications purpose-built to address a variety of security use cases, including vulnerability management for traditional IT systems, container security, web application scanning, operational technology security and assessment against internal policy and regulatory compliance frameworks, such as the Payment Card Industry Data Security Standard, or PCI DSS. In late 2018, we plan to release Tenable.io Lumin, an application that will provide enhanced risk-based prioritization of issues and benchmarking against industry peers and best-in-class performers.

We believe the combination of applications, data sensors, third-party integration capabilities, automation, analytics, prioritization and benchmarking will allow our customers maximum visibility into their assets and vulnerabilities and deep insights to help make better business decisions based on cybersecurity risk.

Our Enterprise Platform Offerings

Our enterprise platform offerings include Tenable.io and SecurityCenter.

- **Tenable.io:** Built from the ground up to secure both traditional and modern, dynamic assets, spanning IT, cloud environments, IoT devices and OT systems, Tenable.io is primarily delivered as a SaaS offering. Select Tenable.io applications are also offered as on-premises software for customers that require it. Enterprises typically start with the vulnerability management application and expand their deployment over time to cover more traditional IT assets and/or more types of modern assets by deploying additional applications.

Additionally, in late 2018, we plan to release Tenable.io Lumin, which will provide additional capabilities to help CISOs and executives analyze, prioritize and benchmark cyber exposure.

- **SecurityCenter:** Designed to manage vulnerabilities across traditional IT assets and provide automated assessment against security frameworks and compliance regulations, SecurityCenter includes a variety of pre-built, highly customizable dashboards and reports, including the industry's only Assurance Report Cards, or ARCs, to enable organizations to track the effectiveness of their security and compliance programs. Some of our SecurityCenter customers choose to expand their deployments to include Tenable.io as their needs evolve.
- **Industrial Security:** Launched in 2017 in partnership with Siemens, Industrial Security, an OT-specific offering, is an asset discovery and vulnerability assessment solution, built on our patented passive network monitoring technology. Industrial Security monitors critical infrastructure in energy, utilities and other sectors, utilizing a non-intrusive approach to give security and plant operations teams the ability to discover, visualize and monitor their most sensitive systems. We currently offer Industrial Security as a stand-alone solution, and we intend to integrate it within the Tenable.io offering.

Our enterprise platform offerings deliver the following capabilities:

- **Live asset discovery.** We provide visibility across a broad range of traditional and modern assets and cloud environments. We use a combination of active scanning, passive network monitoring and public cloud monitoring via our connector to identify known and unknown assets.
- **Automated exposure assessment.** With every change in a customer's computing environment, we can automatically assess and identify where there are vulnerabilities, internal and regulatory compliance violations and misconfigurations across assets and cloud environments, such as missing software patches or outdated software versions. In addition, we can help optimize existing security technology investments to identify indicators of cyber exposure, such as improperly configured anti-virus software.
- **Deep analytics to allow for prioritization.** We combine our product IP and third-party data to provide business context and allow organizations to prioritize remediation efforts based on the business criticality of the asset and the severity of the issue.
- **Open and extensible platform.** Our platform ingests a wide set of third-party data sources to enhance analysis and integrates that data with industry-leading IT workflow, SIEM and systems management tools to accelerate remediation and provide common visibility across security and IT operations teams.
- **Cyber exposure measurement.** Our data set helps our customers quantify and benchmark cyber exposure across their organizations, and we plan to offer benchmarking compared to industry peers. Our expansive knowledge base and data set is mined to create industry standard Cyber Exposure metrics, such as average remediation time, so that organizations can benchmark against industry best practices. We believe this objective measurement will help enterprises make data-driven investment decisions to maximize cybersecurity risk reduction.

Our enterprise platform offerings have received numerous certifications for cloud security assurance and verification of controls related to security, availability, confidentiality, privacy and processing integrity of data.

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Examples of certifications include the Cloud Security Alliance: Security, Trust and Assurance Registry and the E.U.-U.S. Privacy Shield. In addition, we received positive results on an external penetration test performed and validated by an independent provider of cybersecurity services.

Our Nessus Offerings

Nessus Professional

Nessus Professional is a vulnerability assessment solution for identifying security vulnerabilities, configuration issues and malware. Nessus Professional serves as both a stand-alone product designed for security consultants and practitioners performing one-time or ad-hoc assessment as well as an on-ramp product to our enterprise platform. With broad vulnerability coverage, accurate analysis and an easy-to-use interface, Nessus Professional offers a cost-effective and comprehensive solution for security consultants and users with ad-hoc assessment needs.

Nessus Home

We also offer a free version of our Nessus product, Nessus Home, which includes vulnerability and configuration assessment for a limited number of assets, but does not include access to support and certain features that Nessus Professional customers enjoy.

Technology Architecture

Our platform is built from the ground up to support the needs of modern IT assets and cloud environments. Our platform's scalability can meet the requirements of the largest global enterprise customers, which may require assessment for millions of assets. In addition, we offer a published service level agreement promising 99.95% availability, to help ensure the reliability of operation for our customers.

Foundational elements of our technology architecture include:

- **Microservices-based architecture.** Our architecture consists of microservices running in containers provided by Docker Inc. and orchestrated by the open-source system Kubernetes. Containers allow us to utilize a DevOps philosophy in our software development lifecycle, which permits us to perform numerous code updates per day. The result is faster and more predictable time to market for new capabilities and services.
- **Public cloud infrastructure for agility.** Our use of the public cloud delivers agility and market responsiveness without the capital investment or time delay involved with planning, purchasing and deploying hardware. It also provides a flexible cost profile in which capacity can be quickly adjusted up or down in response to new opportunities and market demand, with relatively modest fixed costs.
- **Scalability.** Our platform scales up and down to continuously meet customer demands, through the use of public cloud infrastructure around the world. This approach provides elastic resources for compute, data transfer and storage, and allows us to meet the needs of even the largest global enterprises and government agencies. Our platform manages and supports millions of assets for multiple enterprise customers across a variety of industries, with the ability to process millions of API calls daily. The platform can scale to support IoT deployments that are an order of magnitude larger than IT deployments.
- **Availability.** Our modern architecture, leveraging state-of-the-art public cloud services, offers high availability and high performance. It provides geographic redundancy, as well as automated backup, without the need for us to build redundant infrastructure. As a result, we offer a service level agreement for Tenable.io that promises 99.95% availability.

- **Portability.** Tenable.io primarily resides in a public cloud environment and offers the flexibility to be deployed as traditional software in on-premises environments, partner environments and hybrid deployments.
- **Extensibility and integration.** Our open API and SDK enable import of data from third-party sources and sensors—including competitor products—to augment our native discovery, assessment and analytics. This is essential to providing a unified view of assets, vulnerabilities and exposure across the enterprise. These capabilities also enable flexible export of our data to third party systems.
- **Widely adopted industry standard file format.** The “.Nessus” file format for vulnerability data used in all of our products is openly documented and supported by dozens of products and programming languages, which simplifies integration with our ecosystem partners’ technologies.

Our Technology Ecosystem

We have partnered and/or integrated with leading technology companies to pioneer the industry’s first Cyber Exposure ecosystem to help organizations build resilient cybersecurity programs. Our ecosystem consists of a variety of third-party data import sources into our platform offerings, as well as export of our data out to third-party IT systems. Our technology ecosystem connects disparate solutions and data to automate processes and accelerate an organization’s ability to understand, manage and reduce its cyber exposure.

We integrate a variety of third-party data sources into our platform to augment our native data collection and help with analysis and prioritization. Examples include:

- Threat intelligence feeds, including ExploitDB and ReversingLabs, which help our customers understand if a vulnerability is actively being exploited;
- Configuration Management Database asset data, including IT asset data from ServiceNow, which provide business context for the asset, such as the asset’s business purpose;
- Public cloud provider data, including Amazon Web Services, which provide visibility into cloud environments to trigger assessments as cloud workloads are created or updated;
- Credential management tools, including CyberArk and Thycotic, which grant our platform privileged access to perform assessments at the system level rather than the network level to enhance the accuracy of our assessment; and
- Mobile device management tools, such as Apple Profile Manager and Microsoft Exchange, to gain visibility into mobile assets and the applications and vulnerabilities on them.

Furthermore, our data is also exported out to enrich third-party IT management and security systems. Examples include:

- IT Service Management and ticketing systems, including ServiceNow and BMC SecOps Response Service, which automatically populate the ticket with data from our platform to provide additional guidance to the IT operations team performing remediation;
- SIEM solutions, including Splunk, Micro Focus (HPE) ArcSight and IBM QRadar, which correlate vulnerability data with threat activity to provide guidance to the security operations center team performing incident response;
- Network access control tools, such as ForeScout and Cisco, which leverage our data to understand if an asset is exposed and, if so, allow those partners’ technology to take action to block it from joining the network; and
- GRC systems, including RSA Archer, which factor in Cyber Exposure metrics as part of the organization’s overall risk and compliance framework.

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Customers

As of December 31, 2017, we had over 24,000 customers in over 160 countries. Our customers include more than 50% of the Fortune 500 and more than 20% of the Global 2000. In 2016 and 2017, no single customer represented more than 2% of our revenue.

Our customers span a wide range of industries, including manufacturing, energy and industrials; technology, media and telecommunications; banking, insurance and finance; government, education and non-profit; healthcare; and retail and consumer. Some of our representative customers by industry vertical include the following:

Financial Services	Retail and Wholesale	Technology and Telecom
Bank of America	American Eagle Outfitters	Amazon.com
Deutsche Bank Securities	Darden Restaurants	DocuSign
First Data	Kohl's	Global Payments
JPMorgan Chase	O'Reilly Auto Parts	PayPal
Nasdaq	Starbucks	SonicWall
Navient	Sysco	VMware
Wells Fargo	Wayfair	Vodafone (UK)
		World Wide Technology
Healthcare	Government	Energy
AmeriHealth Caritas	Inland Revenue Department of New Zealand	CPS Energy
Assistance Publique – Hopitaux de Paris	NASA	Enbridge
BJC HealthCare	Tri-County Metropolitan Transportation District of Oregon (TriMet)	Entergy
Bon Secours Health System	U.S. Department of Agriculture	Exelon
Community Health Systems	U.S. Department of Defense	Pacific Gas & Electric
Mercy Health	U.S. Department of Energy	Tennessee Valley Authority
Sentara Healthcare	U.S. Department of Veterans Affairs	TransGrid
	U.S. Social Security Administration	

Sales and Marketing

Sales

We sell and market our enterprise platform offerings through our field and inside sales force that works closely with our channel partners, including a network of distributors and resellers, in developing sales opportunities. Our sales strategy employs both a direct-touch approach through our sales forces and a low-touch approach through sales closed by our channel partners and transacted on our e-commerce website. Both direct-touch and channel-originated sales are fulfilled through our channel partnerships. Our sales and customer success renewal teams collaborate closely with our channel partners to prospect, manage and support our customers, developing and maintaining close relationships with all of our platform customers.

We sell to organizations of all sizes across a broad range of industries, with a specific focus on enterprise accounts. Our sales team is divided by customer size and geography, including Americas; Europe, the Middle East and Africa, or EMEA; and Asia Pacific and Japan, or APAC.

Our partner ecosystem provides us with a number of advantages, including increased in-bound registered sales leads, broader geographic reach and greater deal velocity. Our channel partners include distributors, value-added resellers, system integrators and managed security service providers. Representative partners include:

- *Americas:* CDW Logistics, Inc., Ingram Micro, Inc., Optiv Security Inc. and SHI International Corp.

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- *Public Sector:* Blue Tech Inc., Iron Bow Technologies LLC and SHI International Corp.
- *EMEA:* Capgemini SE, Satisnet Ltd, Softcat plc and Thales Group
- *APAC:* Content Security Pty Ltd and Dimension Data

Marketing

Our marketing efforts focus on cultivating brand awareness and leveraging our brand strength with Nessus, building demand across all segments with a specific emphasis on our enterprise customers and delivering tailored marketing programs focused on CISOs and security executives, functional managers and security practitioners and consultants with Nessus. We also provide educational programs to DevOps teams for our Container Security and Web Application Scanning products. We execute marketing programs targeted at new customer acquisition, customer retention and cross-selling and up-selling of products across our platform.

Given the scale of our Nessus community and high-velocity customer acquisition channel, we see our community not only as a valuable source of customer testimonials and social proof, but also a seeding strategy for on-ramp and up-sell to our enterprise platform offerings.

Telling our customers' stories is one of the most impactful and valuable parts of our marketing strategy. We have a dedicated team that works with our customers to capture testimonials and stories, allowing us to highlight solutions our products provide to customer problems across a range of use cases.

We hosted our inaugural user conference, Tenable Edge, in March 2018, drawing over 500 registrations. The conference included Tenable University hands-on training, a new product launch keynote announcing Tenable.io Lumin and the expansion of our Tenable Research team, as well as sessions led by Tenable product experts and customer speakers.

Research and Development

Our engineering expertise combines extensive security product development experience with individuals who possess deep cloud and user interface design background. Our engineering team has groups that focus on Nessus configuration auditing, Nessus vulnerability enumeration, passive network traffic analysis and system log analysis, including public cloud.

Additionally, our Tenable Research team includes a team of cybersecurity and data science experts who produce original research and apply data science techniques to our security telemetry data to provide meaningful insights. This data fuels the benchmarking offering in our platform and we believe will become a trusted source throughout the industry for understanding Cyber Exposure. Tenable Research, including data science, is a key component of our thought leadership.

We believe ongoing and timely development of new products and features is imperative to maintaining our competitive position. We continue to invest in development of our solutions across our global innovation centers in Columbia, MD, Los Angeles, CA, San Jose, CA and Dublin, Ireland.

Our research and development expense was \$40.1 million and \$57.7 million in 2016 and 2017, respectively.

Competition

The market for cybersecurity solutions is fragmented, intensely competitive and constantly evolving. We compete with a range of established and emerging cybersecurity software and services vendors, as well as homegrown solutions. With the introduction of new technologies and market entrants, we expect the competitive environment to remain intense going forward. Our competitors include: vulnerability management and

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assessment vendors, including Qualys and Rapid7; diversified security software and services vendors, including IBM; endpoint security vendors with nascent vulnerability assessment capabilities, including Tanium and CrowdStrike; and providers of point solutions that compete with some of the features present in our solutions. We also compete against internally-developed efforts that often use open source solutions.

We believe that the principal competitive factors affecting the market for cybersecurity solutions include product functionality, breadth and depth of offerings, flexibility of delivery models, ease of deployment and use, integration capabilities such as open APIs and scalability, uptime and performance. We believe that our suite of solutions generally competes favorably with respect to these factors and may serve as a complement to the solutions offered by our competitors in some cases. Some of our more established actual and potential competitors have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and significantly greater resources than we do. In addition, as our market grows and rapidly changes, we expect it will continue to attract new competitors, including larger established companies and smaller emerging companies, which could introduce new products and services.

Intellectual Property

Our success depends in part upon our ability to protect our core technology and intellectual property. We rely on a combination of trade secrets, copyrights, patents and trademarks, as well as contractual protections, to establish and protect our intellectual property rights and protect our proprietary technology.

As of December 31, 2017, we had 13 issued patents and four patent applications pending in the United States. Our issued patents expire between 2027 and 2034 and cover our passive network scanning, monitoring and analysis technologies and additional features of our enterprise platform. As of December 31, 2017, we had 16 registered trademarks and two trademark applications pending in the United States. We view our copyrights, trade secrets and know-how as a significant component of our intellectual property assets.

We also license certain software from third parties for integration into our solutions, including open source software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

We control access to and use of our proprietary software and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers and partners, and our software is protected by U.S. and international copyright and trade secret laws. Despite our efforts to protect our trade secrets and proprietary rights through intellectual property rights, licenses and confidentiality and invention assignment agreements, unauthorized parties may still attempt to copy, reverse engineer misappropriate or otherwise obtain and use our software and technology. In addition, we intend to expand our international operations, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Government Regulation

Various federal, state and foreign legislative and regulatory bodies have legislation pending that could affect our business. In particular, the European Union has passed the General Data Protection Regulation, or GDPR, which comes into force on May 25, 2018. The GDPR includes more stringent operational requirements on entities that receive or process personal data (as compared to existing EU law), along with significant penalties for non-compliance, more robust obligations on data processors and data controllers, greater rights for data subjects (potentially requiring significant changes to both our technology and operations), and heavier documentation requirements for data protection compliance programs. Similarly, there are a number of federal and state level legislative proposals in the United States that could impose new obligations on us. In addition, some countries are considering or have passed legislation implementing more onerous data protection

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requirements or requiring local storage and processing of data or other requirements that could increase the cost and complexity of delivering our services.

Like other U.S.-based IT security products, our products are subject to U.S. export control laws and regulations, specifically the Export Administration Regulations, or EAR, U.S. economic and trade sanctions regulations and applicable foreign government import, export and use requirements. Certain of our products are subject to encryption controls under the EAR due to the nature of the product and its use or incorporation of encryption functionality. Under the encryption controls in the EAR, applicable products may only be exported outside of the United States with required export authorizations, such as a license, a license exception or other appropriate government authorizations. In addition to the restrictions under the EAR, U.S. export control laws and economic sanctions prohibit the export of products and services to countries, governments, entities or persons subject to U.S. embargoes or trade sanctions.

Employees and Culture

As of December 31, 2017, we had 984 employees.

We believe in upholding a core set of values for our entire global workforce:

- *One Tenable:* We are united as one Tenable team. We win together. We are one team internally, with our customers, with our partners and in the market.
- *We Care:* About our work, about our customers, about one another and about our communities. We speak straight and we do the right thing.
- *Deliver Results:* We set high goals, take bold risks, measure honestly and deliver results that exceed expectations.
- *What We Do Matters:* The work that we do makes a difference in the world.

Facilities

Our principal executive offices are located in Columbia, Maryland and consist of approximately 66,000 square feet under a lease that expires in December 2020. We have signed a lease for our planned new principal executive offices to be located in Columbia, Maryland, which will consist of approximately 150,000 square feet under a lease that expires in August 2031. We maintain additional offices in multiple locations in the United States and internationally in Europe, Asia and the Middle East. We believe that our current facilities are adequate to meet our ongoing needs and that suitable additional alternative spaces will be available in the future on commercially reasonable terms.

Legal Proceedings

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

MANAGEMENT

Executive Officers, Other Key Officers and Directors

The following table sets forth certain information with respect to our executive officers, other key officers and directors, including their ages as of April 1, 2018:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
<i>Executive Officers</i>		
Amit Y. Yoran	47	Chairman and Chief Executive Officer
Stephen A. Vintz	49	Chief Financial Officer
John C. Huffard Jr. (Jack)	50	President, Chief Operating Officer, Co-Founder and Director
John G. Negron	54	Chief Revenue Officer
Stephen A. Riddick	54	General Counsel
<i>Other Key Officers</i>		
David M. Cole	43	Chief Product Officer
Renaud M. Deraison	38	Chief Technology Officer and Co-Founder
Jennifer L. Johnson (JJ)	43	Chief Marketing Officer
Bridgett P. Paradise	54	Chief People Officer
Bradley T. Pollard	45	Chief Information Officer
<i>Non-Employee Directors</i>		
Arthur W. Coviello, Jr.	64	Director
Ping Li	45	Director
A. Brooke Seawell	70	Director
Richard M. Wells	40	Director

Executive Officers

Amit Y. Yoran has served as our Chairman and Chief Executive Officer since December 2016. Prior to joining Tenable, Mr. Yoran served as president of RSA Solutions, Inc. from October 2014 to December 2016 and as senior vice president of product of RSA Security LLC, the security division of Dell EMC, from April 2011 to October 2014. Mr. Yoran received a B.S. from the United States Military Academy at West Point and an M.S. in computer science from George Washington University. Our board of directors believes that Mr. Yoran is qualified to serve as a director based on his role as our Chief Executive Officer and his extensive management experience in the technology industry.

Stephen A. Vintz has served as our Chief Financial Officer since October 2014. Prior to joining Tenable, Mr. Vintz served as executive vice president and chief financial officer of Vocus, Inc., a publicly-traded public relations software company, from January 2001 to June 2014. Mr. Vintz has served on the board of directors of the Kennedy Krieger Institute since December 2012. Mr. Vintz received a B.B.A. in accounting from Loyola University Maryland and is a certified public accountant.

John C. Huffard Jr. has served as our President and Chief Operating Officer since November 2008 and co-founded our company in 2002. Mr. Huffard has also served as a member of our board of directors since 2002. Mr. Huffard received a B.S.B.A. from Washington and Lee University and an M.B.A. from Babson College. Our board of directors believes that Mr. Huffard is qualified to serve as a director based on his role as our co-founder and our President and Chief Operating Officer and his in-depth knowledge of our company and our products.

John G. Negron has served as our Chief Revenue Officer since February 2017. Prior to joining Tenable, Mr. Negron was a technology and cybersecurity consultant at JGN Advisors, an IT consulting firm, from April 2016 to February 2017. From October 2013 to April 2016, Mr. Negron served as vice president of global

security sales for Cisco Systems, Inc. From July 2002 to October 2013, Mr. Negron held a variety of roles at Sourcefire, Inc., a network security company that was later acquired by Cisco, including senior vice president of worldwide sales from April 2011 to October 2013. Mr. Negron received a B.S. in business communications from Bentley University.

Stephen A. Riddick has served as our General Counsel since May 2016. Prior to joining Tenable, Mr. Riddick served in a number of roles, including associate general counsel, at Praxair, Inc., a producer and distributor of industrial gases and related technologies, from September 2010 to February 2016. Mr. Riddick has served on the board of directors of the D.C. Jazz Festival since April 2017. Mr. Riddick received a B.A. in economics from the University of Virginia and a J.D. from the University of North Carolina School of Law.

Other Key Officers

David M. Cole has served as our Chief Product Officer since June 2016. Prior to joining Tenable, Mr. Cole served as chief product officer of CrowdStrike Inc., a cybersecurity company, from November 2013 to May 2016. From November 2004 to August 2013, Mr. Cole held a number of product management leadership positions at Symantec Corporation, including vice president of product management from May 2011 to February 2013. Mr. Cole received a B.B.A. in computer and information sciences and support services from the University of Michigan.

Renaud M. Deraison has served as our Chief Technology Officer since December 2016 and has served in a number of roles since co-founding our company in 2002, including as our chief product officer from July 2014 to July 2016 and our chief research officer from April 2002 to July 2014. Mr. Deraison is the primary author of Nessus.

Jennifer L. Johnson has served as our Chief Marketing Officer since February 2017. Prior to joining Tenable, Ms. Johnson was a category design advisor for Play Bigger Advisors, LLC, a management consulting firm, from October 2016 to January 2017, where she continues to serve as a non-paid advisor. From November 2014 to August 2016, Ms. Johnson served as chief marketing officer for Tanium, Inc., an information technology and services company. From January 2014 to November 2014, Ms. Johnson was a partner at Andreessen Horowitz LLC, a venture capital firm. From July 2009 to January 2014, Ms. Johnson served as chief marketing officer for Coverity, Inc., a software development company that was acquired by Synopsys Inc. Ms. Johnson received a B.S.B.A. in marketing from the University of San Francisco and an M.B.A. from Santa Clara University.

Bridgett P. Paradise has served as our Chief People Officer since March 2018. Prior to joining Tenable, Ms. Paradise served as the chief people officer for Citadel Securities, LLC, a global financial institution, from December 2016 to March 2018. From August 2014 to December 2016, Ms. Paradise served as chief people officer and executive vice president of human resources at Houghton Mifflin Harcourt Company. Prior to joining Houghton Mifflin, Ms. Paradise served in a number of human resource leadership positions at Microsoft Corporation from January 1993 to May 2014, including general manager of human resources, worldwide services. Ms. Paradise received a B.A. in business communications from Catawba College and an M.S. in human resource management from Marymount University.

Bradley T. Pollard has served as our Chief Information Officer since October 2017. He previously served as our vice president of IT, information security and business platforms from July 2015 to October 2017. Prior to joining Tenable, Mr. Pollard served in various roles at Cisco Systems, Inc., including as the director of information security from October 2013 to April 2015 and as the vice president of information technology and operations of Sourcefire, Inc., a network security company that was later acquired by Cisco, from July 2002 to October 2013. Mr. Pollard received a B.A. in psychology from the University of Delaware and an M.S. in technology management from the University of Maryland University College.

Non-Employee Directors

Arthur W. Coviello, Jr. has served as a member of our board of directors since February 2018. Mr. Coviello is a venture partner at Rally Ventures, LLC, a position he has held since May 2015. From February 2011 to February 2015, Mr. Coviello served as executive chairman of RSA Security LLC. Mr. Coviello has served on the boards of directors of Synchrony Financial since November 2015. He previously served on the public company boards of directors of Gigamon, Inc. from April 2017 until its acquisition in December 2017 and EnerNOC, Inc. from June 2009 until its acquisition in August 2017. Mr. Coviello received a B.B.A. in Business Administration from the University of Massachusetts. Our board of directors believes that Mr. Coviello is qualified to serve as a director based on his extensive industry and management experience and his experience as a director of technology companies.

Ping Li has served as a member of our board of directors since October 2012. Mr. Li is a partner at Accel, a venture capital firm, where he has worked since 2004. Mr. Li has served on the board of directors of Cloudera, Inc. since October 2008. Mr. Li received an A.B. in economics from Harvard University and an M.B.A. from Stanford University. Our board of directors believes that Mr. Li is qualified to serve as a director based on his extensive investment experience in the IT and security industries and his experience serving on the boards of directors of public companies.

A. Brooke Seawell has served as a member of our board of directors since October 2017. Mr. Seawell is a venture partner at New Enterprise Associates Inc., a position he has held since January 2005. Mr. Seawell has served on the boards of directors of Tableau Software, Inc. since November 2011 and NVIDIA Corporation since December 1997. He served on the boards of directors of Informatica Corporation, a data integration software company, from December 1997 to August 2015 and Glu Mobile Inc., a publisher of mobile games, from June 2006 to February 2014. Mr. Seawell received both a B.A. in economics and an M.B.A. in finance from Stanford University. Our board of directors believes that Mr. Seawell is qualified to serve as a director based on his extensive experience in technology finance and operations, including having served as the chief financial officer of two public companies and his experience as a director of technology companies.

Richard M. Wells has served as a member of our board of directors since December 2015. Mr. Wells serves as a managing director at Insight Venture Management, LLC, a private equity and venture capital firm, a position he has held since 2005. He also currently serves on the boards of directors of a number of private companies. Mr. Wells received a B.S. in economics from the University of Pennsylvania and an M.B.A. from Harvard University. Our board of directors believes that Mr. Wells is qualified to serve as a director based on his extensive experience in investing and advising managers of high growth software and Internet companies.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Board Composition

Our board of directors currently consists of _____ members. All of our directors currently serve on the board of directors pursuant to the provisions of a voting agreement between us and certain of our stockholders. This agreement will terminate upon the closing of this offering, after which there will be no further contractual obligations regarding the election of our directors, except that pursuant to the terms of Mr. Yoran's offer letter entered into in October 2016, he will serve on our board of directors as long as he is Chief Executive Officer.

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In accordance with the terms of our amended and restated certificate of incorporation and amended and restated bylaws, which will be effective following the closing of this offering, our board of directors will be divided into three classes, Class I, Class II and Class III, with members of each class serving staggered three-year terms. Effective upon the closing of this offering, our board of directors will be divided into the following classes:

- Class I, which will consist of _____, _____ and _____, whose terms will expire at our first annual meeting of stockholders to be held after the closing of this offering;
- Class II, which will consist of _____, _____ and _____, whose terms will expire at our second annual meeting of stockholders to be held after the closing of this offering; and
- Class III, which will consist of _____, _____ and _____, whose terms will expire at our third annual meeting of stockholders to be held after the closing of this offering.

At each annual meeting of stockholders to be held after the initial classification, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election and until their successors are duly elected and qualified. The authorized size of our board of directors is currently _____ members, and may be changed only by resolution by a majority of the board of directors and an amendment to our voting agreement with certain of our stockholders, which agreement will terminate upon the closing of this offering. See “Certain Relationships and Related Party Transactions—Investors’ Rights, Management Rights, Voting and Co-Sale Agreements.” We expect that additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the board of directors may have the effect of delaying or preventing changes in our control or management. Our directors may be removed for cause by the affirmative vote of the holders of at least 66 2/3% of our voting stock.

Director Independence

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. Based upon information requested from and provided by each director concerning such director’s background, employment and affiliations, including family relationships, our board of directors determined that _____, representing _____ of our _____ directors, are “independent directors” as defined under current rules and regulations of the SEC and the listing standards of _____. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described in “Certain Relationships and Related Party Transactions.”

Board Committees

Our board of directors has established an audit committee and a compensation committee and intends to establish a nominating and corporate governance committee in connection with this offering, each of which has the composition and responsibilities described below. From time to time, our board of directors may establish other committees to facilitate the management of our business.

Audit Committee

Upon the closing of this offering, our audit committee will consist of three directors, _____, _____, and _____, each of whom our board of directors has determined satisfies the independence requirements for audit committee members under the listing standards of _____ and Rule 10A-3 of the Securities

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Exchange Act of 1934, as amended, or the Exchange Act. Each member of our audit committee meets the financial literacy requirements under the rules and regulations of _____ and the SEC. _____ is the chairman of the audit committee and our board of directors has determined that _____ is an audit committee “financial expert” as defined by Item 407(d) of Regulation S-K under the Securities Act. The principal duties and responsibilities of our audit committee include, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes its internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

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

Compensation Committee

Upon the closing of this offering, our compensation committee will consist of _____ directors, _____, _____ and _____. Our board of directors has determined that each of the compensation committee members is a non-employee member of our board of directors as defined in Rule 16b-3 under the Exchange Act. _____ will be the chairman of the compensation committee. The composition of our compensation committee meets the requirements for independence under the current listing standards of _____ and current SEC rules and regulations. The principal duties and responsibilities of our compensation committee include, among other things:

- reviewing and approving, or recommending that our board of directors approve, the compensation of our executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- reviewing and approving, or recommending that our board of directors approve, the terms of compensatory arrangements with our executive officers;
- administering our stock and equity incentive plans;
- reviewing and approving, or recommending that our board of directors approve, incentive compensation and equity plans; and
- reviewing and establishing general policies relating to compensation and benefits of our employees and reviewing our overall compensation philosophy.

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

Nominating and Corporate Governance Committee

Upon the closing of this offering, our nominating and corporate governance committee will consist of _____ directors, _____ and _____ will be the chairman of the nominating and corporate governance committee. The composition of our nominating and governance committee meets the requirements for independence under the current listing standards of _____ and current SEC rules and regulations. The nominating and corporate governance committee's responsibilities include, among other things:

- identifying, evaluating and selecting, or recommending that our board of directors approve, nominees for election to our board of directors and its committees;
- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters; and
- overseeing an annual evaluation of our board of directors' performance.

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

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. None of the members of our compensation committee is an officer or employee of our company, nor have they ever been an officer or employee of our company.

Code of Business Conduct and Ethics

In connection with this offering, we intend to adopt a Code of Business Conduct and Ethics, or the Code of Conduct, applicable to all of our employees, executive officers and directors. Following the closing of this offering, the Code of Conduct will be available on our website at www.tenable.com. The nominating and corporate governance committee of our board of directors will be responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website as required by applicable law or the listing standards of _____. The inclusion of our website address in this prospectus does not include or incorporate by reference into this prospectus the information on or accessible through our website.

Non-Employee Director Compensation

Historically, we have provided equity-based compensation to our independent directors who are not employees or affiliated with our largest investors for the time and effort necessary to serve as a member of our

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board of directors. In addition, our non-employee directors are entitled to reimbursement of direct expenses incurred in connection with attending meetings of our board of directors or committees thereof. We expect that our board of directors will adopt a director compensation policy for non-employee directors to be effective upon the closing of this offering.

2017 Director Compensation Table

The following table sets forth information regarding the compensation earned for service on our board of directors during the year ended December 31, 2017 by our non-employee directors. Amit Y. Yoran, our Chief Executive Officer, and John C. Huffard Jr., our President and Chief Operating Officer, are also members of our board of directors, but did not receive any additional compensation for service as a director.

<u>Name</u>	<u>Option Awards (\$)(1)(2)</u>	<u>Total (\$)</u>
Matthew D. Gatto ⁽³⁾	—	—
Ping Li	—	—
John K. Locke ⁽⁴⁾	—	—
A. Brooke Seawell	1,044,418	1,044,418
Richard M. Wells	—	—

- (1) This column reflects the full grant date fair value of options granted during the year measured pursuant to Financial Accounting Standard Board Accounting Standards Codification Topic 718, or ASC 718, the basis for computing stock-based compensation in our consolidated financial statements. The assumptions we used in valuing options are described in Note 8 to our consolidated financial statements included elsewhere in this prospectus.
- (2) The table below shows the aggregate number of option awards outstanding for each of our directors who is not a named executive officer as of December 31, 2017:

<u>Name</u>	<u>Option Awards (#)</u>
Matthew D. Gatto ⁽³⁾	—
John C. Huffard Jr.	—
Ping Li	—
John K. Locke ⁽⁴⁾	—
A. Brooke Seawell	230,000
Richard M. Wells	—

- (3) Mr. Gatto resigned from our board of directors on February 21, 2018.
- (4) Mr. Locke resigned from our board of directors on _____, 2018.

EXECUTIVE COMPENSATION

This section discusses the material elements of our executive compensation policies for our “named executive officers” and the most important factors relevant to an analysis of these policies. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executive officers named in the “Summary Compensation Table” below, or our “named executive officers,” and is intended to place in perspective the data presented in the following tables and the corresponding narrative.

Summary Compensation Table

The following table sets forth information regarding compensation earned with respect to the year ended December 31, 2017 by our named executive officers.

<u>Name and Principal Position</u>	<u>Salary (\$)</u>	<u>Stock Awards (\$)(1)</u>	<u>Option Awards (\$)(1)</u>	<u>Non-Equity Incentive Plan Compensation (\$)(2)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Amit Y. Yoran ⁽³⁾ <i>Chairman and Chief Executive Officer</i>	400,000	6,726,411	5,777,020	215,800	—	13,119,231
Stephen A. Vintz <i>Chief Financial Officer</i>	336,000	—	—	230,905	437	567,342
John G. Negron <i>Chief Revenue Officer</i>	479,643 ⁽⁴⁾	—	1,250,762	54,781	1,560 ⁽⁵⁾	1,786,746
Stephen A. Riddick <i>General Counsel</i>	250,000	—	624,520	161,850	10,800 ⁽⁵⁾	1,047,170

- (1) This column reflects the full grant date fair value of restricted stock awards and option awards granted during the year measured pursuant to ASC 718, the basis for computing stock-based compensation in our consolidated financial statements. This calculation assumes that the named executive officer will perform the requisite service for the award to vest in full as required by SEC rules. The assumptions we used in valuing options are described in Note 8 to our consolidated financial statements included in this prospectus.
- (2) See “—Narrative to Summary Compensation Table—Quarterly Bonus Plan” below for a description of the material terms of the program pursuant to which this compensation was awarded. For Mr. Negron, the amount reflects the pro rata portion of the compensation earned by him in 2017 from commencement of his employment through December 31, 2017. For all named executive officers, amounts reflect above plan performance, as determined by the board of directors.
- (3) Mr. Yoran is also a member of our board of directors, but did not receive any additional compensation in his capacity as a director.
- (4) Mr. Negron’s employment with us commenced on February 27, 2017. The 2017 salary reported reflects the pro rata portion of Mr. Negron’s annual salary of \$300,000 earned during 2017 from commencement of his employment through December 31, 2017, and includes \$217,243 in sales commissions earned in 2017.
- (5) Consists of company matching contributions under our 401(k) plan.

Narrative to Summary Compensation Table

We review compensation annually for all employees, including our executive officers. In setting executive base salaries and bonuses and granting equity incentive awards, we consider compensation for comparable positions in the market, the historical compensation levels of our executives, individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short- and long-term results that are in the best interests of our stockholders and a long-term commitment to our company. We do not target a specific competitive position or a specific mix of compensation among base salary, bonus or long-term incentives.

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The compensation committee of our board of directors has historically determined our executives' compensation. Our compensation committee typically reviews and discusses management's proposed compensation with the Chief Executive Officer for all executives other than the Chief Executive Officer. Based on those discussions and its discretion, the compensation committee then approves the compensation of each executive officer after discussions without members of management present.

Annual Base Salary

We have entered into offer letters with each of our named executive officers that establish annual base salaries, which are generally determined, approved and reviewed periodically by our compensation committee in order to compensate our named executive officers for the satisfactory performance of duties to our company. Annual base salaries are intended to provide a fixed component of compensation to our named executive officers, reflecting their skill sets, experience, roles and responsibilities. Base salaries for our named executive officers have generally been set at levels deemed necessary to attract and retain individuals with superior talent. See "—Offer Letters and Potential Payments Upon Termination or Change in Control."

Quarterly Bonus Plan

Our named executive officers are eligible to participate in our company's Quarterly Bonus Plan on the same basis as all employees of our company. The Quarterly Bonus Plan is designed to motivate and reward our employees for the attainment of certain key financial performance metrics by our company, as determined by our board of directors annually, and individual performance goals, as determined by our compensation committee for our Chief Executive Officer and by our Chief Executive Officer for the other named executive officers. Each named executive officer may earn more or less than the annual target amount set forth in his offer letter or determined by our compensation committee, as applicable, based on our company's and his individual performance.

Equity-Based Awards

Our equity-based incentive awards are designed to align our interests with those of our employees and consultants, including our executive officers. Our compensation committee is responsible for approving equity grants. Vesting of equity awards is generally tied to continuous service with us and serves as an additional retention measure. Our executives generally are awarded an initial new hire grant upon commencement of employment. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Outstanding Equity Awards as of December 31, 2017

The following table sets forth certain information about outstanding equity awards granted to our named executive officers that remain outstanding as of December 31, 2017.

Name	Grant Date	Option Awards ⁽¹⁾				Stock Awards ⁽¹⁾	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$) ⁽²⁾	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$) ⁽³⁾
Amit Y. Yoran	1/18/17	—	2,839,524 ⁽⁴⁾	4.25	1/18/27		
	1/18/17					1,582,685 ⁽⁴⁾	15,288,737
Stephen A. Vintz	12/16/14 ⁽⁵⁾	252,750	252,750 ⁽⁶⁾	2.36	12/16/24		
	6/30/16	26,250	78,750 ⁽⁷⁾	4.15	6/30/26		
John G. Negron	2/27/17	—	620,000 ⁽⁸⁾	4.25	2/27/27		
Stephen A. Riddick	5/31/16	50,000	150,000 ⁽⁹⁾	4.15	5/31/26		
	6/26/17	—	225,000 ⁽¹⁰⁾	5.96	6/26/27		

- (1) Except as noted, all of the option and restricted stock awards listed in the table were granted under our 2016 Stock Incentive Plan, the terms of which are described below under “—Equity Incentive Plans—2016 Stock Incentive Plan.”
- (2) All of the option awards listed in the table were granted with a per share exercise price equal to or above the fair market value of one share of our common stock on the date of grant, as determined in good faith by our board of directors.
- (3) Represents the market value of the restricted stock award as of December 31, 2017, based on an assumed fair market value of our common stock of \$9.66 per share on December 31, 2017.
- (4) 25% of the shares subject to such awards vested on January 1, 2018, and will continue to vest quarterly thereafter, in each case subject to Mr. Yoran’s continued service.
- (5) Granted under our 2012 Stock Incentive Plan, the terms of which are described below under “—Equity Incentive Plans—2012 Stock Incentive Plan.”
- (6) 25% of the shares subject to the option vested on October 15, 2015 and will continue to vest on each twelve month anniversary thereof, in each case subject to Mr. Vintz’s continued service.
- (7) 25% of the shares subject to the option vested on June 30, 2017 and will continue to vest on each twelve month anniversary thereof, in each case subject to Mr. Vintz’s continued service.
- (8) 25% of the shares subject to the option vested on February 27, 2018, and will continue to vest quarterly thereafter, in each case subject to Mr. Negron’s continued service.
- (9) 25% of the shares subject to the option vested on May 31, 2017, and will continue to vest on each twelve month anniversary thereof, in each case subject to Mr. Riddick’s continued service.
- (10) 25% of the shares subject to the option will vest on June 26, 2018, and will continue to vest on each twelve month anniversary thereof, in each case subject to Mr. Riddick’s continued service.

We may in the future, on an annual basis or otherwise, grant additional equity awards to our executive officers pursuant to our 2018 Equity Incentive Plan, or the 2018 Plan, the terms of which are described below under “—Equity Incentive Plans—2018 Equity Incentive Plan.”

Retirement Benefits and Other Compensation

We maintain a defined contribution retirement plan that provides eligible U.S. employees, including our named executive officers, with an opportunity to save for retirement on a tax advantaged basis. Eligible employees may defer eligible compensation on a pre-tax basis, up to the statutorily prescribed annual limits on contributions under the Internal Revenue Code of 1986, as amended, or the Code. We have the ability to make discretionary contributions to the 401(k) plan. For 2017, during each pay period, we made matching contributions for each \$1.00 of an employee’s contribution, up to a maximum of 4% of the employee’s eligible earnings, subject to annual limitations, for the applicable pay period. We expect to do the same in 2018. Employee contributions are allocated to each participant’s individual account and are then invested in selected investment alternatives according to the participant’s directions. Employees are immediately and fully vested in their contributions. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the 401(k) plan’s related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

Our named executive officers are eligible to participate in our other benefit programs on the same basis as all employees of our company. We generally do not provide perquisites or personal benefits except in limited circumstances.

Offer Letters and Potential Payments Upon Termination or Change in Control

We are party to offer letters with each of our named executive officers. The agreements generally provide for at-will employment without any specific term and set forth the named executive officer’s initial base salary,

eligibility for employee benefits and severance benefits upon a qualifying termination of employment or change in control of our company. Each of our named executive officers has executed our standard intellectual property assignment, non-disclosure, non-solicitation and non-competition agreement. The key terms of the offer letters with our named executive officers, including potential payments upon termination or change in control, are described below.

Mr. Yoran

We entered into an offer letter with Mr. Yoran, our Chairman and Chief Executive Officer, in October 2016 and an addendum thereto in February 2017. The letter provides for a starting annual base salary of \$400,000 and a target annual bonus of \$200,000 based upon the achievement of goals established by our board of directors. The offer letter further provides for the grant of an option to purchase 2,839,524 shares of our common stock as well as 1,582,685 shares of restricted common stock, which were granted on January 18, 2017. The offer letter provides that Mr. Yoran will serve on our board of directors, without additional compensation, as long as he serves as Chief Executive Officer.

If we terminate Mr. Yoran without cause, or if Mr. Yoran terminates his employment for good reason or due to death or permanent disability, he will be entitled to (1) continued payment of his base salary for 12 months, (2) if he timely elects to continue healthcare coverage through COBRA, 12 months of reimbursement of the amount by which his COBRA payments exceed the premium paid by our employees for similar coverage and (3) accelerated vesting of his outstanding equity awards (granted pursuant to the offer letter) at a rate equal to 6.25% multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service that have elapsed since the most recent quarterly anniversary of January 2, 2017 and the denominator of which is three. The offer letter further provides that if Mr. Yoran's employment is terminated by us (other than for cause or on account of death or permanent disability) or by Mr. Yoran for good reason 90 days prior to or within 12 months following the date on which we enter into a definitive agreement providing for a change in control of our company, Mr. Yoran's then-outstanding equity awards (granted pursuant to the offer letter) will vest in full. Such severance is conditioned upon Mr. Yoran's execution of a release agreement. The salary continuation and COBRA benefits are further conditioned upon Mr. Yoran's compliance with certain non-disclosure and non-solicitation obligations and resignation from all positions with us.

Mr. Vintz

We entered into an offer letter with Mr. Vintz, our Chief Financial Officer, in October 2014. The letter provides for a starting annual base salary of \$300,000 and a target annual bonus equal to 50% of his base salary. In July 2016, we increased Mr. Vintz's annual base salary to \$336,000 and his target annual bonus to \$214,000. On December 16, 2014, Mr. Vintz was granted an option to purchase shares of common stock of Tenable, Inc., which was converted into an option to purchase shares of our common stock following our recapitalization.

If we terminate Mr. Vintz without cause, or if Mr. Vintz terminates his employment for good reason, other than during a change of control termination period or due to death or disability, he will be entitled to (1) a lump sum payment equal to 12 months of his base salary, (2) if he timely elects to continue healthcare coverage through COBRA, 12 months of reimbursement of the amount by which his COBRA payments exceed the premium paid by our employees for similar coverage and (3) following the one-year anniversary of the vesting commencement date, accelerated vesting of his outstanding options at a rate equal to 25% multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service that have elapsed since the preceding anniversary of the vesting commencement date and the denominator of which is 12. The offer letter further provides that if we terminate Mr. Vintz without cause (other than on account of death or permanent disability), or if Mr. Vintz terminates his employment for good reason within the 12-month period following the date on which we enter into a definitive agreement providing for a change in control of our company, and, in the case of the options granted pursuant to the offer letter, within 90 days prior to such date, Mr. Vintz's then-outstanding equity awards (granted pursuant to the offer letter) will vest in full and Mr. Vintz

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will be entitled to the aforementioned severance benefits as well as 100% of the target bonus amount for the year in which the termination or resignation occurred, less any bonus amounts already paid for that year. Such severance is conditioned upon Mr. Vintz's execution of a release agreement in favor of Tenable. The salary continuation and COBRA benefits are further conditioned upon Mr. Vintz's compliance with certain non-disclosure and non-solicitation obligations and resignation from all positions with us.

Mr. Negron

We entered into an offer letter with Mr. Negron, our Chief Revenue Officer, in February 2017. The letter provides for a starting annual base salary of \$300,000 and an annual target bonus in the aggregate of up to 95% of his annual base salary and commissions earned. On February 27, 2017, Mr. Negron was granted an option to purchase 620,000 shares of our common stock in accordance with the terms of the offer letter.

If we terminate Mr. Negron without cause, or if Mr. Negron terminates his employment for good reason, other than during a change of control termination period or due to death or disability, he will be entitled to (1) a lump sum payment equal to three months of base salary plus any incentive compensation earned through the date of termination, (2) if he timely elects to continue healthcare coverage through COBRA, three months of reimbursement of the amount by which his COBRA payments exceed the premium paid by our employees for similar coverage and (3) accelerated vesting of his outstanding equity awards (granted pursuant to the offer letter) at a rate equal to 6.25% multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service that have elapsed since the most recent quarterly anniversary of February 27, 2017 and the denominator of which is three. The offer letter further provides that if we terminate Mr. Negron without cause (other than on account of death or permanent disability), or if Mr. Negron terminates his employment for good reason during a change of control termination period beginning 90 days prior to and ending 12 months following the date on which we enter into a definitive agreement providing for a change in control of us, Mr. Negron will be entitled to (1) a lump sum payment equal to six months of base salary plus any incentive compensation earned through the date of termination, (2) a pro rata portion of the target bonus amount for the year in which the termination or resignation occurred, less any bonus amounts already paid for that year, (3) if he timely elects to continue healthcare coverage through COBRA, six months of reimbursement of the amount by which his COBRA payments exceed the premium paid by our employees for similar coverage and (4) full vesting of any outstanding equity awards (granted pursuant to the offer letter). The cash severance and COBRA benefits are conditioned upon Mr. Negron's compliance with certain non-disclosure and non-solicitation obligations, execution of a release agreement and resignation from all positions with us.

Mr. Riddick

We entered into an offer letter with Mr. Riddick, our General Counsel, in May 2016. The letter provides for a starting annual base salary of \$250,000 and an annual target bonus equal to 60% of his annual base salary. On May 31, 2016, Mr. Riddick was granted an option to purchase 200,000 shares of our common stock in accordance with the terms of the offer letter.

If Mr. Riddick terminates his employment for good reason or is terminated other than for cause during a period beginning when we enter into a definitive agreement providing for a change in control of our company and ending on the closing of such change in control or within 12 months following the date on which we enter into a definitive agreement providing for a change in control of our company, Mr. Riddick's then-outstanding equity awards (granted pursuant to the offer letter) will vest in full.

Equity Incentive Plans

2018 Equity Incentive Plan

We expect that our board of directors will adopt, and our stockholders will approve, prior to the closing of this offering our 2018 Equity Incentive Plan, or 2018 Plan. We do not expect to utilize our 2018 Plan until after

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the closing of this offering, at which point no further grants will be made under our 2016 Stock Incentive Plan, as described below under “—2016 Stock Incentive Plan.” No awards have been granted and no shares of our common stock have been issued under our 2018 Plan.

Stock Awards. The 2018 Plan provides for the grant of incentive stock options within the meaning of Section 422 of the Code, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards and other forms of equity compensation, which are collectively referred to as stock awards. Additionally, the 2018 Plan provides for the grant of performance cash awards. Incentive stock options may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

Share Reserve. Initially, the aggregate number of shares of our common stock that may be issued pursuant to stock awards under the 2018 Plan after the 2018 Plan becomes effective is the sum of (1) _____ shares and (2) the number of shares of common stock reserved for issuance under our 2016 Stock Incentive Plan at the time our 2018 Plan becomes effective. Additionally, any shares subject to stock options or other stock awards granted under our 2016 Stock Incentive Plan that would have otherwise returned to our 2016 Stock Incentive Plan (such as upon the expiration or termination of a stock award prior to vesting) will be added to, and available for issuance under, our 2018 Plan and the number of shares of our common stock reserved for issuance under our 2018 Plan will automatically increase on January 1 of each year, beginning on January 1, 2019 (assuming the 2018 Plan becomes effective before such date) and continuing through and including January 1, 2028, by _____ % of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors. The maximum number of shares that may be issued upon the exercise of incentive stock options under our 2018 Plan is _____ shares.

If a stock award granted under the 2018 Plan expires or otherwise terminates without being exercised in full, or is settled in cash, the shares of our common stock not acquired pursuant to the stock award again will become available for subsequent issuance under the 2018 Plan. In addition, the following types of shares under the 2018 Plan may become available for the grant of new stock awards under the 2018 Plan: (1) shares that are forfeited to or repurchased by us prior to becoming fully vested; (2) shares withheld to satisfy income or employment withholding taxes; or (3) shares used to pay the exercise or purchase price of a stock award. Shares issued under the 2018 Plan may be previously unissued shares or reacquired shares bought by us on the open market.

Non-Employee Director Compensation Limit. Under the 2018 Plan, the maximum number of shares of our common stock subject to stock awards granted under the 2018 Plan or otherwise during any one calendar year to any of our non-employee directors, taken together with any cash fees paid by us to such non-employee director during such calendar year for services on the board of directors, will not exceed \$ _____ in total value (calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes), or, with respect to the calendar year in which a non-employee director is first appointed or elected to the board, \$ _____.

Administration. Our board of directors, or a duly authorized committee thereof, has the authority to administer the 2018 Plan. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than other officers) to be recipients of certain stock awards, (2) determine the number of shares of common stock to be subject to such stock awards and (3) specify the other terms and conditions, including the strike price or purchase price and vesting schedule, applicable to such awards. Subject to the terms of the 2018 Plan, our board of directors or the authorized committee, referred to as the plan administrator, determines recipients, dates of grant, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting schedule applicable to a stock award. Subject to the limitations set forth below, the plan administrator will also determine the exercise price, strike price or purchase price of awards granted and the types of consideration to be paid for the award.

The plan administrator has the authority to modify outstanding awards under our 2018 Plan. Subject to the terms of our 2018 Plan, the plan administrator has the authority, without stockholder approval, to reduce the

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exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock Options. Incentive and nonstatutory stock options are evidenced by stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, within the terms and conditions of the 2018 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2018 Plan vest at the rate specified by the plan administrator.

The plan administrator determines the term of stock options granted under the 2018 Plan, up to a maximum of 10 years. Unless the terms of an option holder's stock option agreement provide otherwise, if an option holder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the cessation of service. The option term will automatically be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an option holder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is a nonqualified stock option and (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the option holder's death.

Tax Limitations on Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of our common stock with respect to incentive stock options that are exercisable for the first time by an optionholder during any calendar year under all of our equity incentive plans may not exceed \$100,000. Options or portions thereof that exceed such limit will be treated as nonqualified stock options. No incentive stock option may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the incentive stock option does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are evidenced by restricted stock award agreements adopted by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule as determined by the plan administrator. Rights to acquire shares under a restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock unit awards that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards evidenced by restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for

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any form of legal consideration or for no consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Rights under a restricted stock unit award may be transferred only upon such terms and conditions as set by the plan administrator. Restricted stock unit awards may be subject to vesting as determined by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights. Stock appreciation rights are evidenced by stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Upon the exercise of a stock appreciation right, we will pay the participant an amount in cash or stock equal to (1) the excess of the per share fair market value of our common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the stock appreciation right is exercised. A stock appreciation right granted under the 2018 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

The plan administrator determines the term of stock appreciation rights granted under the 2018 Plan, up to a maximum of ten years. Unless the terms of a participant's stock appreciation right agreement provides otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term will be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, stock appreciation rights generally are not transferable except by will, the laws of descent and distribution or pursuant to a domestic relations order. A stock appreciation right holder may designate a beneficiary, however, who may exercise the stock appreciation right following the holder's death.

Performance Awards. The 2018 Plan permits the grant of performance-based stock and cash awards. Our compensation committee can structure such awards so that stock or cash will be issued or paid pursuant to such award only after the achievement of certain pre-established performance goals during a designated performance period.

The performance goals that may be selected include one or more of the following: (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) earnings before interest, taxes, depreciation, amortization and legal settlements; (v) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (vi) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (vii) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (viii) total stockholder return; (ix) return on equity or average stockholders' equity; (x) return on assets, investment, or capital employed; (xi) stock price; (xii) margin (including gross margin); (xiii) income (before or after taxes); (xiv) operating income; (xv) operating income after taxes; (xvi) pre-tax profit; (xvii) operating cash flow; (xviii) sales or revenue targets; (xix) increases in revenue or product revenue; (xx) expenses and cost reduction goals;

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(xxi) improvement in or attainment of working capital levels; (xxii) economic value added (or an equivalent metric); (xxiii) market share; (xxiv) cash flow; (xxv) cash flow per share; (xxvi) share price performance; (xxvii) debt reduction; (xxviii) implementation or completion of projects or processes; (xxix) stockholders' equity; (xxx) capital expenditures; (xxxi) debt levels; (xxxii) operating profit or net operating profit; (xxxiii) workforce diversity; (xxxiv) growth of net income or operating income; (xxxv) billings; (xxxvi) bookings; (xxxvii) employee retention; (xxxviii) user satisfaction, including customer satisfaction or net promoter score measures; (xxxix) the number of users, including unique users; (xl) budget management; (xli) partner satisfaction; (xlii) entry into or completion of strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); (xliii) active clients; (xliv) keep rate; (xlv) average order value; (xlvi) client signups; (xlvii) client retention; (xlviii) conversion metrics; (xlix) client order metrics; (mlx) inventory metrics; and (mlx) other measures of performance selected by our board of directors.

The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (1) in the award agreement at the time the award is granted or (2) in such other document setting forth the performance goals at the time the goals are established, we will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any items that are unusual in nature or occur infrequently as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item. In addition, our board of directors retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of performance goals and to define the manner of calculating the performance criteria it selects to use for such performance period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the award agreement or the written terms of a performance cash award.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2018 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued upon the exercise of incentive stock options and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

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Corporate Transactions. In the event of certain specified significant corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

- arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;
- accelerate the vesting of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse of any reacquisition or repurchase right held by us;
- cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our board of directors may deem appropriate or for no consideration; or
- make a payment equal to the excess of (1) the value of the property the participant would have received upon exercise of the stock award over (2) the exercise price or strike price otherwise payable in connection with the stock award.

The plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2018 Plan, a significant corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our consolidated assets, (2) a sale or other disposition of at least 50% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change in Control. The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us, that the stock award will be subject to additional acceleration of vesting and exercisability or settlement in the event of a change in control. Under the 2018 Plan, a change in control is generally (1) the acquisition by a person or entity of more than 50% of our combined voting power other than by merger, consolidation or similar transaction; (2) a consummated merger, consolidation or similar transaction immediately after which our stockholders cease to own more than 50% of the combined voting power of the surviving entity; or (3) a consummated sale, lease or exclusive license or other disposition of all or substantially all of our consolidated assets.

Amendment and Termination. Our board of directors has the authority to amend, suspend or terminate our 2018 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent and provided further that certain types of amendments will require the approval of our stockholders. No incentive stock options may be granted after the tenth anniversary of the date our board of directors adopted our 2018 Plan.

2016 Stock Incentive Plan

General. Our 2016 Stock Incentive Plan, or our 2016 Plan, was approved by our board of directors and stockholders in May 2016 and was amended and restated in January 2017. We subsequently amended our 2016 plan in February 2017 and February 2018 to increase the number of shares available for issuance. Our stockholders approved the most recent amendment in March 2018. Our 2016 Plan will be terminated in connection with our adoption of our 2018 Plan; however, awards outstanding under our 2016 Plan continue in full effect in accordance with their existing terms.

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Share Reserve. As of December 31, 2017, we have reserved 11,700,000 shares of our common stock for issuance under our 2016 Plan plus any shares that are cancelled, forfeited or undelivered pursuant to awards granted under our 2012 Stock Incentive Plan or our 2002 Stock Incentive Plan. As of December 31, 2017, options to purchase 11,109,060 shares of common stock, at exercise prices ranging from \$4.15 to \$9.66 per share, or a weighted-average exercise price of \$5.00 per share, were outstanding under our 2016 Plan.

Administration. Our board of directors or our compensation committee, collectively the plan administrator, administers our 2016 Plan. The plan administrator has full authority and discretion to make any determinations and take any actions it deems necessary or advisable for the administration of our 2016 Plan and may select eligible persons to become participants, grant awards, determine the terms and conditions of such awards, prescribe award agreements, determine rules and regulations for administration, construe and interpret the 2016 Plan and award agreements, correct defects, supply omissions and reconcile inconsistencies therein and suspend the right to exercise awards as it deems appropriate.

Types of Awards. Our 2016 Plan provides for the award of restricted stock and for the grant of incentive stock options and nonstatutory stock options to purchase shares of our common stock and other stock-based awards to employees, members of our board of directors and consultants. Incentive stock options may be granted only to employees.

Options. The exercise price of options granted under our 2016 Plan will generally not be less than 100% of the fair market value of our common stock on the grant date. Options expire at the time determined by the plan administrator, but in no event more than ten years after they are granted, and generally expire earlier if the optionee's service terminates.

Restricted Stock. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ceases for any reason, we may receive any or all of the shares of our common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Capitalization Adjustments. In the event of any stock dividend, stock split, reverse stock split, recapitalization, reorganization, merger, amalgamation, consolidation, combination, exchange or other relevant change in our capitalization and certain other transactions, our board of directors will equitably and proportionately adjust the number and class of shares of stock that may be delivered under the 2016 Plan and/or the number, class, and price of shares of stock covered by each outstanding award.

Corporate Events. In the event of a merger, amalgamation or consolidation involving the Company, a change in control or a reorganization or liquidation of our company, the plan administrator may, except as provided in an award agreement, in its discretion provide for any one or more of the following:

- the assumption or substitution of any or all awards with appropriate adjustments;
- the acceleration of vesting of any or all awards;
- the cancellation of any or all awards (whether vested or unvested) together with payment to holders of vested awards (including any awards that would vest upon the corporate event but for such cancellation) of an amount based upon the per-share consideration paid for our common stock in connection with the corporate event, less any applicable exercise price;
- the cancellation for no consideration of any awards with an exercise price greater than the per-share consideration paid for our common stock in connection with the corporate transaction;
- the cancellation of any or all options and other awards subject to exercise (whether vested or unvested) as of the consummation of such corporate event; provided, that, all options and other awards to be so cancelled are first exercisable for a period of at least ten (10) days prior to such corporate event, with

any exercise during such period of any unvested options or other awards to be (A) contingent upon and subject to the occurrence of the corporate event and (B) effectuated by such means as are approved by the plan administrator; and

- the replacement of any or all awards (other than awards that are intended to qualify as “stock rights” that do not provide for a “deferral of compensation” within the meaning of Section 409A of the Code) with a cash incentive program that preserves the value of the awards so replaced (determined as of the consummation of the corporate event), with subsequent payment of cash incentives subject to the same vesting conditions as applicable to the awards so replaced and payment to be made within thirty (30) days of the applicable vesting date.

The plan administrator is not obligated to take the same action or actions with respect to all awards or portions thereof or with respect to all participants and may take different actions with respect to the vested and unvested portions of an award.

Under our 2016 Plan, a change in control is generally the occurrence of (1) a change in ownership or control of our company effected through a transaction or series of transactions (other than an offering of our common stock to the general public through a registration statement filed with the Securities and Exchange Commission or similar non-United States regulatory agency) whereby any person or group directly or indirectly acquires “beneficial ownership” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of securities possessing more than 50% of the total combined voting power of our securities outstanding immediately after such acquisition and pursuant to which certain investors cease to own, directly or indirectly, at least 50% of the securities issued to those investors on or before May 13, 2016; or (2) the sale or disposition, in one or a series of related transactions, of all or substantially all of our assets to any person or group.

Transferability. A participant generally may not transfer stock awards under our 2016 Plan other than by will, the laws of descent and distribution or as otherwise provided under our 2016 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend our 2016 Plan and any awards granted thereunder, provided that such action is approved by our stockholders to the extent stockholder approval is necessary and that such action does not materially impair the existing rights of any participant without such participant’s written consent. Our board of directors may provide for the repricing of awards granted under the 2016 Plan without stockholder approval. As described above, our 2016 Plan will terminate upon the effective date of our 2018 Plan.

2012 Stock Incentive Plan

General. Our 2012 Stock Incentive Plan, or our 2012 Plan, was originally adopted by our subsidiary Tenable, Inc. in August 2012 and subsequently amended and restated in December 2015. We assumed our 2012 Plan in its entirety in connection with our recapitalization described in “Prospectus Summary—Corporate Information.” All references to our 2012 Plan refer to our 2012 Plan as amended and restated, unless context otherwise requires. No additional awards may be granted under the 2012 Plan; however, outstanding awards continue in full effect in accordance with their existing terms.

Share Reserve. 6,188,309 shares of common stock were reserved for issuance under our 2012 Plan. As of December 31, 2017, options to purchase 2,274,272 shares of common stock, at exercise prices ranging from \$1.58 to \$6.37 per share, or a weighted-average exercise price of \$3.28 per share, were outstanding under our 2012 Plan.

Administration. Our board of directors or our compensation committee, collectively the plan administrator, administers our 2012 Plan. The 2012 Plan was administered by the board of directors or a committee of the board

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of directors of Tenable, Inc. prior to our assumption of the 2012 Plan in December 2015. The plan administrator has full authority to (1) construe and interpret all provisions of the 2012 Plan and agreements thereunder, (2) determine the fair market value of our common stock, (3) select eligible participants, (4) determine the number of shares of our common stock covered by awards, (5) accelerate the time at which an award may be exercisable, transferable or nonforfeitable, (6) amend, cancel, extend, renew, accept the surrender of, modify or accelerate the vesting of or the lapse of restrictions on all or any portion of an outstanding award or reduce the exercise price of an option, (7) prescribe form award agreements, adopt policies and procedures regarding the exercise of awards, adopt, amend and rescind policies and procedures pertaining the administration of our 2012 Plan and (8) make all other determinations necessary or advisable for administration of our 2012 Plan.

Types of Awards. Our 2012 Plan provides for the grant of incentive stock options and nonstatutory stock options to purchase shares of our common stock, stock bonus awards, restricted stock awards and stock appreciation rights to employees, members of our board of directors and consultants. Incentive stock options may be granted only to employees.

Options. The exercise price of options granted under our 2012 Plan may not be less than 100% of the fair market value of a share of common stock on the grant date. Options expire at the time determined by the plan administrator, but in the case of incentive stock options, no more than ten years after they are granted, and generally expire earlier if the optionee's service terminates.

Changes in Capitalization. In the event of any subdivision, consolidation or reclassification of shares or other capital readjustment, a stock split, a reverse stock split, the payment of a dividend in stock, a spin-off, the payment of an extraordinary dividend or distribution in a form other than stock in an amount that has a material effect on the fair market value of our common stock, or other increase or reduction of the number of shares of our common stock outstanding, without receiving consideration therefore in money, services or property, then the number, class and per share price of our common stock subject to outstanding awards will be appropriately and proportionately adjusted.

Merger, Consolidation or Asset Sale. In the event of a merger or other consolidation, or in the event of a transaction providing for the sale of all or substantially all of our stock or assets, outstanding awards will be subject to the agreement of merger, consolidation or sale. Such agreement may provide for one or more of the following:

- the continuation of outstanding awards;
- the assumption of outstanding awards by the surviving entity or its parent;
- the substitution of outstanding awards with new awards with substantially the same terms;
- exercisability of outstanding awards to the extent vested and exercisable followed by the cancellation of such award (whether or not then exercisable); or
- settlement of the full value of the outstanding awards to the extent vested and exercisable, with payment made in cash, cash equivalents or other property as determined by the plan administrator, and the cancellation of such awards (whether or not then exercisable).

Transferability. A participant generally may not transfer stock awards under our 2012 Plan other than by will, the laws of descent and distribution or as otherwise provided under our 2012 Plan or an award agreement.

Plan Amendment or Termination. Our board of directors has the authority to amend our 2012 Plan, provided that such action is approved by our stockholders to the extent stockholder approval is necessary and that such action does not adversely affect the existing rights of any participant without such participant's consent.

2002 Stock Incentive Plan

General. Our 2002 Stock Incentive Plan, or our 2002 Plan, was originally adopted by our subsidiary Tenable, Inc. in May 2003. We amended and restated the 2002 Plan and assumed it in its entirety in December

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2015 in connection with our recapitalization described in “Prospectus Summary—Corporate Information.” All references to our 2002 Plan refer to our 2002 Plan as amended and restated, unless context otherwise requires. No additional awards may be granted under the 2002 Plan; however, outstanding awards continue in full effect in accordance with their existing terms.

Share Reserve. 6,771,579 shares of common stock were reserved for issuance under our 2002 Plan. As of December 31, 2017, options to purchase 1,190,120 shares of common stock, at exercise prices ranging from \$0.15 to \$0.81 per share, or a weighted-average exercise price of \$0.59 per share, were outstanding under our 2002 Plan.

Administration. Our board of directors or our compensation committee, collectively the plan administrator, administers our 2002 Plan. The 2002 Plan was administered by the board of directors or a committee of the board of directors of Tenable, Inc. prior to our assumption of the 2002 Plan in December 2015. The plan administrator has full authority to (1) construe and interpret all provisions of the 2002 Plan and agreements thereunder, (2) determine the fair market value of our common stock, (3) select eligible participants, (4) determine the number of shares of our common stock covered by awards, (5) accelerate the time at which an award may be exercisable, transferable or nonforfeitable, (6) determine whether and under what circumstances an option may be settled in cash, shares of common stock or other property, (7) amend, cancel, extend, renew, accept the surrender of, modify or accelerate the vesting of or the lapse of restrictions on all or any portion of an outstanding award or reduce the exercise price of an option, (8) prescribe form award agreements, adopt policies and procedures regarding the exercise of awards, adopt, amend and rescind policies and procedures pertaining the administration of our 2002 Plan and (9) make all other determinations necessary or advisable for administration of our 2002 Plan.

Types of Awards. Our 2002 Plan provided for the grant of incentive stock options and nonstatutory stock options to purchase shares of our common stock, stock bonus awards, restricted stock awards and stock appreciation rights to employees, members of our board of directors and consultants.

Options. Options expire at the time determined by the plan administrator, but in the case of incentive stock options, no more than ten years after they are granted, and generally expire earlier if the optionee’s service terminates.

Changes in Capitalization. In the event of any subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of our common stock outstanding, without receiving consideration therefore in money, services or property, then the number, class and per share price of shares of our common stock subject to outstanding awards will be appropriately and proportionately adjusted.

Merger, Consolidation or Asset Sale. If our company is merged or consolidated with another entity or sells or otherwise disposes of substantially all of its assets while awards remain outstanding under the 2002 Plan, unless provisions are made in connection with such transaction for the continuance of the 2002 Plan and/or the assumption or substitution of such awards with new awards covering the stock of the successor company, or parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices, then all outstanding awards which have not been continued, assumed or for which a substituted award has not been granted will, whether or not vested or then exercisable, terminate immediately as of the effective date of any such merger, consolidation or sale.

Transferability. A participant generally may not transfer stock awards under our 2002 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2002 Plan or an award agreement.

Plan Amendment or Termination. Our board of directors has the authority to amend our 2002 Plan, provided that such action is approved by our stockholders to the extent stockholder approval is necessary and that such action does not adversely affect the existing rights of any participant without such participant’s consent.

2018 Employee Stock Purchase Plan

We expect that our board will adopt, and our stockholders will approve, prior to the closing of this offering our 2018 Employee Stock Purchase Plan, or our 2018 ESPP. We do not expect to grant purchase rights under our 2018 ESPP until after the closing of this offering.

Share Reserve. The maximum number of shares of our common stock that may be issued under our 2018 ESPP is _____ shares. Additionally, the number of shares of our common stock reserved for issuance under our 2018 ESPP will automatically increase on January 1 of each year, beginning on January 1, 2019 (assuming the 2018 ESPP becomes effective before such date) and continuing through and including January 1, 2028, by the lesser of (1) _____ % of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, (2) _____ shares of our common stock or (3) such lesser number of shares of common stock as determined by our board of directors. Shares subject to purchase rights granted under our 2018 ESPP that terminate without having been exercised in full will not reduce the number of shares available for issuance under our 2018 ESPP.

Administration. Our board of directors, or a duly authorized committee thereof, will administer our 2018 ESPP. Our board of directors has delegated its authority to administer our 2018 ESPP to our compensation committee under the terms of the compensation committee's charter.

Limitations. Our employees, including executive officers, and the employees of any of our designated affiliates will be eligible to participate in our 2018 ESPP, provided they may have to satisfy one or more of the following service requirements before participating in our 2018 ESPP, as determined by the administrator: (1) customary employment with us or one of our affiliates for more than 20 hours per week and five or more months per calendar year or (2) continuous employment with us or one of our affiliates for a minimum period of time, not to exceed two years, prior to the first date of an offering. An employee may not be granted rights to purchase stock under our 2018 ESPP (1) if such employee immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of all classes of our common stock or (2) to the extent that such rights would accrue at a rate that exceeds \$25,000 worth of our stock for each calendar year that the rights remain outstanding.

Our 2018 ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code. The administrator may specify offerings with a duration of not more than 27 months, and may specify one or more shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for the employees who are participating in the offering. The administrator, in its discretion, will determine the terms of offerings under our 2018 ESPP. A participant may not transfer purchase rights under our 2018 ESPP other than by will, the laws of descent and distribution or as otherwise provided under our 2018 ESPP.

Payroll Deductions. Our 2018 ESPP permits participants to purchase shares of our common stock through payroll deductions up to 15% of their earnings. Unless otherwise determined by the administrator, the purchase price of the shares will be 85% of the lower of the fair market value of our common stock on the first day of an offering or on the date of purchase. Participants may end their participation at any time during an offering and will be paid their accrued contributions that have not yet been used to purchase shares. Participation ends automatically upon termination of employment with us.

Corporate Transactions. In the event of certain specified significant corporate transactions, such as a merger or change in control, a successor corporation may assume, continue or substitute each outstanding purchase right. If the successor corporation does not assume, continue or substitute for the outstanding purchase rights, the offering in progress will be shortened and a new exercise date will be set. The participants' purchase rights will be exercised on the new exercise date and such purchase rights will terminate immediately thereafter.

Amendment and Termination. Our board of directors has the authority to amend, suspend or terminate our 2018 ESPP, at any time and for any reason, provided certain types of amendments will require the approval of

our stockholders. Our 2018 ESPP will remain in effect until terminated by our board of directors in accordance with the terms of our 2018 ESPP.

Limitations on Liability and Indemnification Matters

Upon the closing of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

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

This limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated bylaws to be in effect upon the closing of this offering will provide that we are required to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also provide that, upon satisfaction of certain conditions, we are required to advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. Our amended and restated bylaws will also provide our board of directors with discretion to indemnify our other officers and employees when determined appropriate by our board of directors. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses, including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws to be in effect upon the closing of this offering may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when

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entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information subject to compliance with the terms of our insider trading policy. Prior to days after the date of this offering, subject to early termination, the sale of any shares under such plan would be subject to the lock-up agreement that the director or executive officer has entered into with the underwriters.

Emerging Growth Company Status

As an emerging growth company we will be exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our President and Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2015 to which we have been a participant in which the amount involved exceeded or will exceed \$120,000, and in which any of our then directors, executive officers or holders of more than 5% of any class of our capital stock at the time of such transaction, or any members of their immediate family, had or will have a direct or indirect material interest, other than compensation arrangements which are described under the section titled “Executive Compensation.”

Sale of Series B Redeemable Convertible Preferred Stock and Stock Repurchases

In December 2015, we sold an aggregate of 39,538,354 shares of our Series B redeemable convertible preferred stock at a price of \$5.81735 per share to entities associated with Accel and Insight Venture Partners, who are each beneficial owners of more than 5% of our capital stock, for aggregate proceeds of approximately \$230.0 million, or our Series B Offering.

The following table summarizes the purchases in our Series B Offering by entities associated with Accel and Insight Venture Partners:

<u>Purchaser</u>	<u>Shares of Series B Preferred Stock</u>	<u>Total Purchase Price</u>
Entities affiliated with Accel(1)	11,173,477	\$ 65,000,026
Entities affiliated with Insight Venture Partners(2)	28,364,877	165,008,417

- (1) Affiliates of Accel whose shares are aggregated for purposes of reporting share ownership information are: Accel Growth Fund III L.P., Accel Growth Fund III Strategic Partners L.P., Accel Growth Fund Investors 2014 L.L.C., Accel Investors 2013 L.L.C., Accel XI L.P. and Accel XI Strategic Partners L.P.
- (2) Affiliates of Insight Venture Partners whose shares are aggregated for purposes of reporting share ownership information are: Insight Venture Partners (Cayman) IX, L.P., Insight Venture Partners (Delaware) IX, L.P., Insight Venture Partners Growth-Buyout Coinvestment Fund, L.P., Insight Venture Partners Growth-Buyout Coinvestment Fund (B), L.P., Insight Venture Partners Growth-Buyout Coinvestment Fund (Cayman), L.P., Insight Venture Partners Growth-Buyout Coinvestment Fund (Delaware), L.P., Insight Venture Partners IX, L.P. and Insight Venture Partners IX (Co-Investors), L.P.

We used the proceeds from the Series B Offering to repurchase shares of our common stock held by certain investors of our predecessor entity Tenable, Inc., including certain of our executive officers, directors and beneficial owners of more than 5% of our capital stock. We repurchased 9,551,150 shares and 21,503,622 shares from individuals and entities associated with John C. Huffard Jr. and Ronald Gula, respectively, at a price of \$5.81735 per share.

Consulting Agreement with Capellas Partners

On August 31, 2015, we entered into a consulting agreement with Capellas Partners, LLC. At that time, Michael Capellas served as a director of our predecessor entity, Tenable, Inc., as well as chief executive officer of Capellas Partners. Pursuant to a statement of work issued under the consulting agreement, Capellas Partners received a fee of \$2.0 million for its role in identifying investors, negotiating and closing our Series B Offering. Capellas Partners was also reimbursed for certain expenses pursuant to the terms of this statement of work in the amount of \$7,250. Upon completion of the Series B Offering, the statement of work automatically terminated. In accordance with an additional statement of work issued in January 2016, Capellas Partners also received a fee of \$250,000 for providing various advisory services. Capellas Partners was also reimbursed for certain expenses pursuant to the terms of this statement of work in the amount of \$2,908.

Employment Arrangements with Messrs. Schonberger and Vintz

We have employed Ron Schonberger, the brother of our Chairman and Chief Executive Officer Amit Yoran, as our Associate General Counsel since October 2017, and Frank Vintz, the brother of our Chief Financial Officer Stephen A. Vintz, as our Manager of Customer Success since March 2017. We expect that total compensation for each of Mr. Schonberger and Mr. Frank Vintz, including salary, bonus and commissions, as applicable, will exceed \$120,000 in 2018.

Investors' Rights, Management Rights, Voting and Co-Sale Agreements

In connection with our preferred stock sales, we entered into investors' rights, management rights, voting and right of first refusal and co-sale agreements containing registration rights, information rights, voting rights and rights of first refusal, among other things, with certain holders of our preferred and common stock. The voting agreement entered into in connection with our Series B Offering entitles Accel and Insight Venture Partners to each designate two directors to our board. Each of these agreements will terminate upon the closing of this offering, except that the registration rights granted under our investors' rights agreement, as more fully described in "Description of Capital Stock—Registration Rights," will survive this offering.

Indemnification Agreements

We plan to enter into indemnification agreements with each of our directors and executive officers in connection with this offering. The indemnification agreements and our amended and restated bylaws, each to be in effect upon the closing of this offering, will require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. For more information regarding these agreements, see "Executive Compensation—Limitations on Liability and Indemnification Matters."

Related Person Transaction Policy

Prior to this offering, we have not had a formal policy regarding approval of transactions with related parties. Prior to the closing of this offering, we expect to adopt a written related person transaction policy that sets forth our procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy will become effective immediately upon the execution of the underwriting agreement for this offering. For purposes of our policy only, a related person transaction is a transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and any related person are, were or will be participants and in which the amount involved exceeds \$120,000. Transactions involving compensation for services provided to us as an employee or director are not covered by this policy. A related person is any executive officer, director or beneficial owner of more than 5% of any class of our voting securities, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, our management must present information regarding the related person transaction to our audit committee, or, if audit committee approval would be inappropriate, to another independent body of our board of directors, for review, consideration and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to us of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, we will collect information that we deem reasonably necessary from each director, executive officer and, to the extent feasible, significant stockholder to enable us to identify any existing or potential related-person transactions and to effectuate the terms of the policy.

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In addition, under our Code of Conduct, which we intend to adopt in connection with this offering, our employees and directors have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

In considering related person transactions, our audit committee, or other independent body of our board of directors, will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event that the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related person transaction, our audit committee, or other independent body of our board of directors, must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, our best interests and those of our stockholders, as our audit committee, or other independent body of our board of directors, determines in the good faith exercise of its discretion.

All of the transactions described above were entered into prior to the adoption of the written policy, but all were approved by our board of directors considering similar factors to those described above.

PRINCIPAL STOCKHOLDERS

The following table sets forth the beneficial ownership of our common stock as of April 1, 2018 and as adjusted to reflect the sale of common stock offered by us in this offering, for:

- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

The percentage ownership information shown in the table prior to this offering is based upon 80,179,454 shares of common stock outstanding as of April 1, 2018, after giving effect to the conversion of all outstanding shares of preferred stock into an aggregate of 55,385,854 shares of our common stock. The percentage ownership information shown in the table after this offering is based upon _____ shares of common stock outstanding as of April 1, 2018, assuming the sale of _____ shares of common stock by us in the offering and no exercise of the underwriters' over-allotment option.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options or warrants that are either immediately exercisable or exercisable on or before May 31, 2018, which is 60 days after April 1, 2018. These shares are deemed to be outstanding and beneficially owned by the person holding those options or warrants for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The information contained in the following table is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares in the table does not constitute an admission of beneficial ownership of those shares. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

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Except as otherwise noted below, the address for persons listed in the table is c/o Tenable Holdings, Inc., 7021 Columbia Gateway Drive, Suite 500, Columbia, Maryland 21046.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Prior to the Offering	After the Offering
<i>5% or greater stockholders:</i>			
Entities affiliated with Insight Venture Partners ⁽¹⁾	28,364,877	35.4%	
Entities affiliated with Accel ⁽²⁾	27,598,537	34.4	
Ronald Gula ⁽³⁾	9,215,838	11.5	
John C. Huffard Jr. ⁽⁴⁾	4,093,350	5.1	
<i>Named executive officers and directors:</i>			
Amit Y. Yoran ⁽⁵⁾	2,470,036	3.1	
Stephen A. Vintz ⁽⁶⁾	784,500	1.0	
John G. Negron ⁽⁷⁾	193,749	*	
Stephen A. Riddick ⁽⁷⁾	100,000	*	
Arthur W. Coviello, Jr.	—	—	
Ping Li ⁽²⁾	27,598,537	34.4	
A. Brooke Seawell	—	—	
Richard M. Wells	—	—	
All current executive officers and directors as a group (9 persons) ⁽⁸⁾	35,240,172	43.2	

* Represents beneficial ownership of less than 1%.

- (1) Consists of (a) 8,739,118 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners IX, L.P., or IVP IX, (b) 4,342,255 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners (Cayman) IX, L.P., or IVP (Cayman) IX, (c) 925,908 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners (Delaware) IX, L.P., or IVP (Delaware) IX, (d) 174,441 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners IX (Co-Investors), L.P., or IVP IX (Co-Investors), and, collectively with IVP IX, IVP (Cayman) IX and IVP (Delaware) IX, the “IVP IX Funds”, (e) 4,107,504 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners Growth-Buyout Coinvestment Fund, L.P., or IVP Coinvestment, (f) 3,302,193 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners Growth-Buyout Coinvestment Fund (Cayman), L.P., or IVP Coinvestment (Cayman), (g) 3,036,378 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners Growth-Buyout Coinvestment Fund (Delaware), L.P., or IVP Coinvestment (Delaware), and (h) 3,737,080 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Insight Venture Partners Growth-Buyout Coinvestment Fund (B), L.P., or IVP Coinvestment (B), and, collectively with IVP Coinvestment, IVP Coinvestment (Cayman) and IVP Coinvestment (Delaware), the “IVP Coinvestment Funds” and, together with the IVP IX Funds, the “IVP Funds.” Insight Venture Associates IX, Ltd., or IVA IX Ltd., is the general partner of Insight Venture Associates IX, L.P., which is the general partner of each of the IVP IX Funds. Insight Venture Associates Growth-Buyout Coinvestment, Ltd., or IVA Coinvestment Ltd., is the general partner of Insight Venture Associates Growth-Buyout Coinvestment, L.P., which is the general partner of each of the IVP Coinvestment Funds. Insight Holdings Group, LLC, or Insight Holdings, is the sole shareholder of each of IVA IX Ltd. and IVA Coinvestment Ltd. Each of Jeffrey L. Horing, Deven Parekh, Peter Sobilloff, Jeffrey Lieberman and Michael Triplett is a member of the board of managers of Insight Holdings and as such may be deemed to have shared voting and dispositive power over the shares held by each of the IVP Funds.

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Richard Wells is a Managing Director at Insight Venture Management, LLC, an entity affiliated with the IVP Funds, but does not have voting and dispositive power over the shares held by IVP Funds.

The principal business address for all entities and individuals affiliated with Insight Venture Partners is c/o Insight Venture Partners, 1114 Avenue of the Americas, 36th Floor, New York, NY, 10036.

- (2) Consists of (a) 417,636 shares of common stock held by Accel Growth Fund II L.P., or AGF II, (b) 30,240 shares of common stock held by Accel Growth Fund II Strategic Partners L.P., or AGF II Strategic, (c) 79,967 shares of common stock held by Accel Growth Fund III L.P., or AGF III, (d) 3,775 shares of common stock held by Accel Growth Fund III Strategic Partners L.P., or AGF III Strategic, (e) 40,644 shares of common stock held by Accel Growth Fund Investors 2012 L.L.C., or AGFI 2012, (f) 5,298 shares of common stock held by Accel Growth Fund Investors 2014 L.L.C., or AGFI 2014, (g) 13,548,060 shares of common stock issuable upon conversion of the Series A redeemable convertible preferred stock held by AGF II, (h) 980,940 shares of common stock issuable upon conversion of the Series A redeemable convertible preferred stock held by AGF II Strategic, (i) 1,318,500 shares of common stock issuable upon conversion of the Series A redeemable convertible preferred stock held by AGFI 2012, (j) 7,719,155 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by AGF III, (k) 364,427 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by AGF III Strategic, (l) 511,401 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by AGFI 2014, (m) 2,182,696 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Accel XI L.P., or Accel XI, (n) 163,992 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Accel XI Strategic Partners L.P., or Accel XI Strategic, and (o) 231,806 shares of common stock issuable upon conversion of the Series B redeemable convertible preferred stock held by Accel Investors 2013 L.L.C., or AI 2013. Accel Growth Fund II Associates L.L.C., or AGF II Associates, is the general partner of AGF II and AGF II Strategic and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, one of our directors, Tracy L. Sedlock, Ryan J. Sweeney and Richard P. Wong are the Managing Members of AGF II Associates and AGFI 2012 and share voting and investment powers over such shares. Accel Growth Fund III Associates L.L.C., or AGF III Associates, is the general partner of AGF III and AGF III Strategic and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, one of our directors, Tracy L. Sedlock, Ryan J. Sweeney and Richard P. Wong are the Managing Members of AGF III Associates and AGFI 2014 and share voting and investment powers over such shares. Accel XI Associates L.L.C., or Accel XI Associates, is the General Partner of Accel XI and Accel XI Strategic and has the sole voting and investment power. Andrew G. Braccia, Sameer K. Gandhi, Ping Li, one of our directors, Tracy L. Sedlock and Richard P. Wong are the Managing Members of Accel XI Associates and AI 2013 and share voting and investment powers over such shares.

The principal business address for all entities and individuals affiliated with Accel is 500 University Avenue, Palo Alto, California 94301.

- (3) Consists of (a) 1,960,775 shares of common stock held by Mr. Gula, (b) 398,446 shares of common stock held by Mr. Gula's spouse, Cynthia Y. Gula, (c) 637,887 shares of common stock held by The Ronald J. Gula 2015 Grantor Retained Annuity Trust #4 dated March 31, 2015, (d) 108,730 shares of common stock held by The Cynthia Y. Gula 2015 Grantor Retained Annuity Trust #2 dated March 31, 2015, (e) 2,000,000 shares of common stock held by Cynthia Y. Gula, as Trustee of the Ronald J. Gula 2017 Grantor Retained Annuity Trust dated as of October 19, 2017 and (f) 4,110,000 shares of common stock held by Ronald J. Gula, as Trustee of the Cynthia Y. Gula 2016 Family Trust dated as of November 7, 2016. The address for Mr. Gula is .
- (4) Consists of (a) 82,260 shares of common stock held by Mr. Huffard's spouse, Mary Kathryn Braden Huffard, (b) 3,116,729 shares of common stock held by Mary Kathryn Braden Huffard and Jonathan M. Forster, as Trustees of The Three Suns Exempt Irrevocable Trust U/T/A dated March 2, 2012 and (c) 894,361 shares of common stock held by Mary Kathryn Braden Huffard and Jonathan M. Forster, as Trustees of The Three Suns Non-Exempt Irrevocable Trust U/T/A dated March 2, 2012.

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- (5) Consists of (a) 1,582,685 shares of restricted common stock, 494,589 of which will have vested within 60 days of April 1, 2018, and (b) 887,351 shares of common stock issuable upon the exercise of outstanding options exercisable within 60 days of April 1, 2018.
- (6) Consists of (a) 505,500 shares of common stock and (b) 279,000 shares of common stock issuable upon the exercise of outstanding options exercisable within 60 days of April 1, 2018.
- (7) Consists of shares of common stock issuable upon the exercise of outstanding options exercisable within 60 days of April 1, 2018.
- (8) Consists of (a) 33,780,072 shares of common stock and (b) 1,460,100 shares of common stock issuable upon the exercise of outstanding options exercisable within 60 days of April 1, 2018.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock, certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws, as each will be in effect upon the closing of this offering, and certain provisions of Delaware law are summaries. You should also refer to the amended and restated certificate of incorporation and the amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part. We refer in this section to our amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt in connection with this offering as our certificate of incorporation and bylaws, respectively.

General

Upon the completion of this offering, our amended and restated certificate of incorporation will authorize us to issue up to _____ shares of common stock, \$0.01 par value per share, and _____ shares of preferred stock, \$0.01 par value per share, all of which shares of preferred stock will be undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

As of December 31, 2017, there were outstanding 24,471,975 shares of our common stock, 15,847,500 of our Series A redeemable convertible preferred stock and 39,538,354 shares of our Series B redeemable convertible preferred stock. After giving effect to the conversion of all outstanding shares of our preferred stock into 55,385,854 shares of common stock in connection with the closing of this offering, there would have been 79,857,829 shares of common stock issued and outstanding, held by 116 stockholders of record.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our amended and restated certificate of incorporation and amended and restated bylaws, our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Stock Options

As of December 31, 2017, options to purchase an aggregate of 14,573,452 shares of common stock were outstanding at a weighted-average exercise price of \$4.38 per share. For additional information regarding the terms of our equity incentive plans, see “Executive Compensation—Equity Incentive Plans.”

Restricted Stock

As of December 31, 2017, we had 1,582,685 shares of restricted common stock outstanding granted pursuant to our 2016 Plan. For additional information regarding the terms of our 2016 Plan, see “Executive Compensation—Equity Incentive Plans—2016 Stock Incentive Plan.”

Preferred Stock

Upon the closing of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of _____ shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deterring or preventing a change of control or other corporate action. Upon the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Registration Rights

After the closing of this offering, certain holders of the common stock, including holders of the shares of our common stock that will be issued upon conversion of our preferred stock in connection with this offering, will be entitled to certain rights with respect to registration of such shares under the Securities Act pursuant to the terms of an investors’ rights agreement. These shares are collectively referred to herein as registrable securities.

The investors’ rights agreement provides the holders of registrable securities with demand, piggyback and S-3 registration rights as described more fully below. As of December 31, 2017, after giving effect to the conversion of all outstanding shares of preferred stock into shares of our common stock in connection with the closing of the offering, there would have been an aggregate of 70,927,042 registrable securities that were entitled to registration rights.

Demand Registration Rights

At any time beginning 180 days after the effective date of the registration statement of which this prospectus forms a part, the holders of not less than 60% of the registrable securities then outstanding have the right to make a demand that we file a registration statement under the Securities Act covering registrable securities then outstanding having an aggregate offering price of at least \$30 million, subject to specified exceptions.

Piggyback Registration Rights

If we register any securities for public sale, the holders of our registrable securities then outstanding will each be entitled to notice of the registration and will have the right to include their shares in the registration statement.

The underwriters of any underwritten offering will have the right to limit the number of shares having registration rights to be included in the registration statement, but not below 20% of the total number of securities included in such registration.

Registration on Form S-3

If we are eligible to file a registration statement on Form S-3, the holders of our registrable securities have the right to demand that we file registration statements on Form S-3; provided, that the aggregate price to the public of the securities to be sold under the registration statement is at least \$10 million. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Expenses of Registration

We will pay all expenses relating to any demand, piggyback or Form S-3 registration, other than underwriting discounts and commissions, subject to specified conditions and limitations.

Termination of Registration Rights

The registration rights will terminate five years following the closing of this offering and, with respect to any particular stockholder, when such stockholder is able to sell all of his, her or its shares during a 90-day period pursuant to Rule 144 under the Securities Act.

Anti-Takeover Provisions

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, or Section 203, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

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In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Certificate of Incorporation and Bylaws to be in Effect Upon the Closing of this Offering

Our amended and restated certificate of incorporation to be in effect upon the closing of this offering will provide for our board of directors to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the shares of our common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation and our amended and restated bylaws to be effective upon the closing of this offering will also provide that directors may be removed by the stockholders only for cause upon the vote of 66 2/3% of our outstanding common stock. Furthermore, the authorized number of directors may be changed only by resolution of the board of directors, and vacancies and newly created directorships on the board of directors may, except as otherwise required by law or determined by the board, only be filled by a majority vote of the directors then serving on the board, even though less than a quorum.

Our amended and restated certificate of incorporation and amended and restated bylaws will also provide that all stockholder actions must be effected at a duly called meeting of stockholders and will eliminate the right of stockholders to act by written consent without a meeting. Our amended and restated bylaws will also provide that only our chairman of the board, chief executive officer or the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors may call a special meeting of stockholders.

Our amended and restated bylaws will also provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide timely advance notice in writing, and will specify requirements as to the form and content of a stockholder’s notice.

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that the stockholders cannot amend many of the provisions described above except by a vote of 66 2/3% or more of our outstanding common stock.

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could delay or impede the success of any attempt to change our control.

These provisions are intended to facilitate our continued innovation and the risk-taking that it requires, permit us to continue to prioritize our long-term goals rather than short-term results, enhance the likelihood of continued stability in the composition of our board of directors and its policies. These provisions could discourage potential takeover attempts. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such

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provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit increases in the market price of our stock that could result from actual or rumored takeover attempts.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a breach of fiduciary duty owed by any director, officer or other employee to us or our stockholders; (3) any action asserting a claim against us or any director or officer or other employee arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or amended and restated bylaws; or (4) any action asserting a claim against us or any director or officer or other employee that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is . The transfer agent's address is .

Listing

We intend to apply for listing of our common stock on under the symbol "TNBL."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our capital stock, and although we expect that our common stock will be approved for listing on _____, we cannot assure investors that there will be an active public market for our common stock following this offering. We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our common stock. Future sales of substantial amounts of common stock in the public market, the availability of shares for future sale or the perception that such sales may occur, however, could adversely affect the market price of our common stock and also could adversely affect our future ability to raise capital through the sale of our common stock or other equity-related securities at times and prices we believe appropriate.

Based on our shares outstanding as of December 31, 2017, upon the closing of this offering, _____ shares of our common stock will be outstanding, or _____ shares of common stock if the underwriters exercise their over-allotment option in full.

All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares sold to our “affiliates,” as that term is defined under Rule 144 under the Securities Act. The outstanding shares of common stock held by existing stockholders are “restricted securities,” as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if the offer and sale is registered under the Securities Act or if the offer and sale of those securities qualifies for exemption from registration, including exemptions provided by Rules 144 or 701 promulgated under the Securities Act.

As a result of lock-up agreements and market standoff provisions described below and the provisions of Rules 144 and 701, shares of our common stock will be available for sale in the public market as follows:

- _____ shares of our common stock will be eligible for immediate sale upon the closing of this offering; and
- approximately _____ shares of our common stock will be eligible for sale upon expiration of lock-up agreements and market standoff provisions described below, beginning _____ days after the date of this prospectus, subject in certain circumstances to the volume, manner of sale and other limitations under Rule 144 and Rule 701.

We may issue shares of our capital stock from time to time for a variety of corporate purposes, including in capital-raising activities through future public offerings or private placements, in connection with the exercise of stock options and warrants, vesting of restricted stock units and other issuances relating to our employee benefit plans and as consideration for future acquisitions, investments or other purposes. The number of shares of our capital stock that we may issue may be significant, depending on the events surrounding such issuances. In some cases, the shares we issue may be freely tradable without restriction or further registration under the Securities Act; in other cases, we may grant registration rights covering the shares issued in connection with these issuances, in which case the holders of the shares will have the right, under certain circumstances, to cause us to register any resale of such shares to the public.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any affiliate of ours who owns either restricted or unrestricted shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act.

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Non-Affiliates

Any person who is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding, a sale may sell an unlimited number of restricted securities under Rule 144 if:

- the restricted securities have been held for at least six months, including the holding period of any prior owner other than one of our affiliates;
- we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale; and
- we are current in our Exchange Act reporting at the time of sale.

Any person who is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and has held the restricted securities for at least one year, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell an unlimited number of restricted securities without regard to the length of time we have been subject to Exchange Act periodic reporting or whether we are current in our Exchange Act reporting.

Affiliates

Persons seeking to sell restricted securities who are our affiliates at the time of, or any time during the three months preceding, a sale, would be subject to the restrictions described above. Sales of restricted or unrestricted shares of our common stock by affiliates are also subject to additional restrictions, by which such person would be required to comply with the manner of sale and notice provisions of Rule 144 and would be entitled to sell within any three-month period only that number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately _____ shares immediately after the closing of this offering based on the number of shares outstanding as of December 31, 2017; or
- the average weekly trading volume of our common stock on the _____ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Rule 701

In general, under Rule 701, a person who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days may sell these shares in reliance upon Rule 144, but without being required to comply with the holding period, notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Rule 701 also permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are subject to the expiration of the lock-up agreements and market standoff provisions described below.

Form S-8 Registration Statements

As of _____, 2018, options to purchase an aggregate of _____ shares of our common stock and _____ shares of our restricted common stock were outstanding. As soon as practicable after the closing of this offering, we intend to file with the SEC one or more registration statements on Form S-8 under the Securities Act to register the shares of our common stock that are issuable pursuant to our equity incentive plans, including pursuant to outstanding options. See “Executive Compensation—Equity Incentive Plans” for a description of our equity incentive plans. These registration statements will become effective immediately upon filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Lock-Up Agreements

In connection with this offering, we, our directors and officers, and the holders of substantially all of our equity securities outstanding immediately prior to this offering have agreed, subject to certain exceptions, not to offer, sell, or transfer any common stock or securities convertible into or exchangeable for our common stock for days after the date of this prospectus without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters.

The agreements do not contain any pre-established conditions to the waiver by Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters of any terms of the lock-up agreements. Any determination to release shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including but not necessarily limited to the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain of our security holders, including our investors' rights agreement and agreements governing our equity awards, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Registration Rights

Upon the closing of this offering, the holders of 70,927,042 shares of our common stock will be entitled to certain rights with respect to the registration of the offer and sale of their shares under the Securities Act. Registration of the offer and sale of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See "Description of Capital Stock—Registration Rights" for additional information.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation and does not address any non-U.S., state or local tax consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address U.S. federal tax consequences other than income taxes, such as gift or estate taxes. Rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Internal Revenue Code of 1986, as amended, or the Code, such as financial institutions, insurance companies, tax-exempt organizations, broker-dealers and traders in securities, government organizations, certain former citizens or long-term residents of the United States, “controlled foreign corporations,” “passive foreign investment companies,” corporations that accumulate earnings to avoid U.S. federal income tax, persons that hold our common stock as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or integrated investment or other risk reduction strategy, persons that own, or are deemed to own, more than five percent of our common stock (except to the extent specifically set forth below), persons who hold or receive our common stock pursuant to the exercise of an employee stock option or otherwise as compensation, persons deemed to sell our common stock under the constructive sale provisions of the Code, persons subject to the alternative minimum tax or federal Medicare contribution tax on net investment income, persons who have a functional currency other than the U.S. dollar, accrual method taxpayers subject to special tax accounting rules under Section 451(b) of the Code, real estate investment trusts, regulated investment companies partnerships and other pass-through entities and investors in such pass-through entities. Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code and Treasury regulations, rulings and judicial decisions promulgated thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the U.S. Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions. This discussion assumes that the Non-U.S. Holder holds our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment).

Persons considering purchasing our common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income, estate and other tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local or non-U.S. tax consequences. You should also consult with your tax advisor with respect to recently enacted changes in U.S. tax law as well as potential conforming changes in state tax laws.

For the purposes of this discussion, a “Non-U.S. Holder” is, for U.S. federal income tax purposes, a beneficial owner of our common stock that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes regardless of its place of organization or formation). A “U.S. Holder” means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if it (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

Distributions on Our Common Stock

Distributions (other than certain pro rata distributions of our stock), if any, made in respect of our common stock to a Non-U.S. Holder to the extent made out of our current or accumulated earnings and profits (as

determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes. Subject to the discussion below regarding backup withholding and foreign accounts, such dividends will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. To obtain a reduced rate of withholding tax under a treaty, a Non-U.S. Holder generally will be required to provide us with a properly executed IRS Form W-8BEN (in the case of individuals), IRS Form W-8BEN-E (in the case of entities) or other appropriate form, including a U.S. taxpayer identification number and certifying the Non-U.S. Holder's entitlement to benefits under that treaty. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically. In the case of a Non-U.S. Holder that is an entity, Treasury regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty and you do not timely provide the required certification, you may be able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that such holder maintains in the United States) if a properly executed IRS Form W-8ECI or other applicable IRS Form W-8, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net income basis at the regular graduated rates applicable to U.S. residents. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax" which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce the Non-U.S. Holder's adjusted basis in our common stock, but not below zero, and then will be treated as gain to the extent of any excess and taxed in the same manner as gain realized from a sale or other disposition of common stock as described in the next section.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally should not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of our common stock unless (1) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that such holder maintains in the United States), (2) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met or (3) we are or have been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. In general, we would be a U.S. real property holding corporation if interests in U.S. real estate comprised at least half of the fair market value of our business assets. We believe that we are not, and do not anticipate becoming, a U.S. real property holding corporation. However, because the determination of whether we are a U.S. real property holding corporation depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a U.S. real property holding corporation in the future. Even if we are treated as

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a U.S. real property holding corporation, gain realized by a Non-U.S. Holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (a) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than five percent of our common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (b) our common stock is regularly traded on an established securities market. There can be no assurance that our common stock will qualify as regularly traded on an established securities market. If any gain on your disposition is taxable because we are a U.S. real property holding corporation and your ownership of our common stock exceeds 5%, you will be taxed on such disposition generally in the manner applicable to U.S. persons and, in addition, a purchaser of your common stock may be required to withhold tax with respect to that obligation.

If you are a Non-U.S. Holder described in (1) above, you will be required to pay tax on the net gain derived from the sale at regular graduated U.S. federal income tax rates, and corporate Non-U.S. Holders described in (1) above may be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-U.S. Holder described in (2) above, you will be required to pay a flat 30% (or such lower rate as may be specified by an applicable treaty) tax on the gain derived from the sale, and such gain may be offset by U.S.-source capital losses if you timely file U.S. tax returns reporting the losses (even though you are not considered a resident of the U.S.).

Information Reporting Requirements and Backup Withholding

Generally, we must report information to the IRS with respect to any dividends we pay on our common stock (even if the payments are not subject to withholding) including the amount of any such dividends, the name and address of the recipient and the amount, if any, of tax withheld. A similar report is sent to dividend recipients. The IRS may make its reports available to tax authorities in the recipient's country of residence pursuant to tax treaties or certain other agreements.

Dividends paid by us or by our paying agents to a Non-U.S. Holder may also be subject to U.S. backup withholding at a current rate of 24%. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), IRS Form W-8ECI or otherwise establishes an exemption. Notwithstanding the foregoing, backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of any broker, U.S. or foreign, except that information reporting and such requirements may be avoided if the holder provides a properly executed IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities) or otherwise satisfies documentary evidence requirements for establishing Non-U.S. Holder status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the U.S. through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Any amounts of tax withheld under the backup withholding rules may be credited against the tax liability of persons subject to backup withholding, provided that the required information is timely furnished to the IRS.

Foreign Accounts

A U.S. federal withholding tax of 30% may apply to dividends on and the gross proceeds of a disposition of our common stock paid to a foreign financial institution (as specifically defined by applicable rules), unless such

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institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). This U.S. federal withholding tax of 30% will also apply to dividends on and the gross proceeds of a disposition of our common stock to a non-financial foreign entity, unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding substantial direct and indirect U.S. owners of the entity. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. Holders are encouraged to consult with their own tax advisors regarding the possible implications of these rules to their investment in our common stock.

The withholding provisions described above apply currently to payments of dividends and will apply to payments of gross proceeds from a sale or other disposition of common stock on or after January 1, 2019.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY RECENT AND PROPOSED CHANGE IN APPLICABLE LAW.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to each of them, severally, the number of shares indicated below:

<u>Name</u>	<u>Number of Shares</u>
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
Allen & Company LLC	
Deutsche Bank Securities Inc.	
Stifel, Nicolaus & Company, Incorporated	
William Blair & Company, L.L.C.	
BTIG, LLC	
Total:	

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

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, if all of the shares of common stock are not sold at the initial public offering price, the offering price and other selling terms may from time to time be varied by the underwriters.

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

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

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	\$	\$	\$
Underwriting discounts and commissions to be paid by us	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$ _____. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to \$ _____.

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

We intend to apply to list our common stock on _____ under the trading symbol "TNBL."

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters, we and they will not, during the period ending days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of shares to the underwriters;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions of the shares; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions;
- transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock (i) as a bona fide gift, (ii) to an immediate family member (as defined below) or to

any trust for the direct or indirect benefit of the holder or an immediate family member of the holder, (iii) to any corporation, partnership, limited liability company, investment fund or other entity controlled or managed, or under common control or management by, the holder or (iv) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or an immediate family member of the holder, *provided* that, (a) each transferee shall sign and deliver a lock-up agreement and (b) no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of Common Stock shall be required or shall be voluntarily made other than any required Form 5 filing during the restricted period;

- dispositions, transfers or distributions to (i) another corporation, partnership, limited liability company, trust or other business entity that is an affiliate, or to any investment fund or other entity controlled or managed by the holder or its affiliates, or (ii) as part of a distribution, transfer or disposition without consideration by the holder to its stockholders, current or former partners (general or limited), members, beneficiaries or other equity holders, or to the estates of any such stockholders, partners, beneficiaries or other equity holders; *provided* that (a) each transferee, recipient or distributee shall sign and deliver a lock-up letter and (b) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made other than any required Form 5 filing during the restricted period;
- (i) the issuance or receipt of shares of common stock upon the exercise of options or warrants or vesting of restricted stock awards, insofar as such options, restricted stock awards or warrants are outstanding as of the date of the final prospectus for this offering and granted under any warrant, award, equity incentive plan or stock purchase plan described herein, *provided* that the shares received upon exercise of such option or warrant or vesting of such restricted stock award shall remain subject to this agreement, or (ii) the transfer of shares or any securities convertible thereto upon a vesting event of securities or upon the exercise of options or warrants to purchase securities on a “cashless” or “net exercise” basis to the extent permitted by the instruments representing such options, restricted stock awards or warrants insofar as such options, restricted stock awards or warrants are outstanding as of the date of the final prospectus for this offering and granted under any warrant, award, equity incentive plan or stock purchase plan described in herein and so long as such “cashless” exercise or “net exercise” is effected solely by the surrender of outstanding options or warrants or other securities to us and our cancellation of all or a portion thereof to pay the exercise price (including the payment of taxes due as a result of such vesting event or exercise) and/or withholding tax obligations, but for the avoidance of doubt, excluding all methods of exercise that would involve a sale of any shares relating to options or warrants, whether to cover the applicable exercise price, withholding tax obligations or otherwise, *provided* that in the case of either (i) or (ii), no filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure of such receipt or transfer by or on behalf of the holder shall be required or shall be voluntarily made within 60 days after the date of the final prospectus for this offering, and after such 60th day, any filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that (A) the filing relates to the circumstances described in (i) or (ii), as the case may be, (B) no shares were sold by the reporting person and (C) in the case of (i), the shares received upon exercise of the option are subject to a lock-up letter;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act, *provided* that (i) such plan does not provide for the transfer during the period subject to the lock up and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to such effect;
- the transfer of shares pursuant to a qualified domestic order or in connection with a divorce settlement, *provided* that (i) each such transferee shall sign and deliver a lock-up letter and (ii) any filing required under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described above and (iii) the holder does not otherwise voluntarily effect any other public filing or announcement regarding such transfers;

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- the conversion of our outstanding preferred stock into shares of common stock; and
- the transfer of shares pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors, made to all of our stockholders involving a change of control.

Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time. The underwriters may carry out these transactions on the _____, in the over-the-counter market or otherwise.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

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

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

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In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price will be our future prospects and those of our industry in general, assessment of our management, conditions of the securities markets at the time of this offering, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, certain financial and operating information of companies engaged in activities similar to ours and other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

Selling Restrictions

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

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

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

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- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

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

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

Shares of our common stock may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to shares of our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as

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used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors (“QII”)

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired shares of our common stock under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Reston, Virginia. Wilson Sonsini Goodrich & Rosati, Professional Corporation, Washington, District of Columbia, is representing the underwriters in connection with this offering.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2016 and 2017, and for each of the years then ended, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the shares of common stock being offered by this prospectus, which constitutes a part of the registration statement. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the public reference room and web site of the SEC referred to above. We also maintain a website at www.tenable.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. **However, the information contained in or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on such information in making a decision to purchase our common stock in this offering.**

TENABLE HOLDINGS, INC.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Tenable Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tenable Holdings, Inc. (the Company) as of December 31, 2016 and 2017, the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2016 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2014-09, *Revenue From Contracts With Customers* ("Topic 606")

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for recognizing revenue and its accounting for incremental costs of obtaining a contract as a result of the adoption of FASB Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*, effective January 1, 2017. Our opinion is not modified with respect to this matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2014.

Tysons, Virginia

April 27, 2018

TENABLE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	December 31,	
Assets	2016	2017
Current assets:		
Cash and cash equivalents	\$ 34,470	\$ 27,210
Accounts receivable (net of allowance for doubtful accounts of \$200 and \$160 at December 31, 2016 and 2017, respectively)	36,072	50,881
Deferred commissions	9,628	17,170
Prepaid expenses and other current assets	7,541	15,994
Total current assets	87,711	111,255
Property and equipment, net	9,861	10,754
Construction in progress	—	2,252
Deferred commissions (net of current portion)	3,881	33,006
Intangible assets, net	1,634	1,031
Goodwill	265	265
Other assets	2,142	5,774
Total assets	\$ 105,494	\$ 164,337
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 651	\$ 338
Accrued expenses	2,448	4,878
Accrued compensation	14,184	18,482
Deferred revenue	88,011	154,898
Other current liabilities	955	1,750
Total current liabilities	106,249	180,346
Deferred revenue (net of current portion)	19,436	70,920
Financing obligation	—	1,802
Other liabilities	4,755	5,199
Total liabilities	130,440	258,267
Commitments and contingencies (Note 6)		
Redeemable convertible Series A preferred stock (par value: \$0.01;		
15,848 shares authorized, issued, and outstanding with liquidation preference of \$50,000 at December 31, 2016 and 2017)	49,913	49,935
Redeemable convertible Series B preferred stock (par value: \$0.01;		
42,000 shares authorized, 39,538 issued and outstanding with liquidation preference of \$230,008 at December 31, 2016 and 2017)	227,059	227,800
Stockholders' deficit:		
Common stock (par value: \$0.01; 94,000 and 93,855 shares authorized at December 31, 2016 and 2017; 21,165 and 24,472 shares issued and outstanding at December 31, 2016 and 2017)	212	246
Additional paid-in capital	11,017	20,676
Accumulated deficit	(313,147)	(392,587)
Total stockholders' deficit	(301,918)	(371,665)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 105,494	\$ 164,337

The accompanying notes are an integral part of these consolidated financial statements.

TENABLE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except per share data)	Year Ended December 31,	
	2016	2017
Revenue	\$ 124,371	\$ 187,727
Cost of revenue	14,219	25,588
Gross profit	110,152	162,139
Operating expenses:		
Sales and marketing	85,736	116,299
Research and development	40,085	57,673
General and administrative	20,164	28,927
Total operating expenses	145,985	202,899
Loss from operations	(35,833)	(40,760)
Other expense, net	532	91
Loss before income taxes	(36,365)	(40,851)
Provision for income taxes	843	171
Net loss and comprehensive loss	(37,208)	(41,022)
Accretion of Series A and B redeemable convertible preferred stock	763	763
Net loss attributable to common stockholders	<u>\$ (37,971)</u>	<u>\$ (41,785)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (1.81)</u>	<u>\$ (1.88)</u>
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	<u>20,974</u>	<u>22,211</u>
Pro forma net loss per share, basic and diluted (unaudited)		<u>\$ (0.53)</u>
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)		<u>77,597</u>

The accompanying notes are an integral part of these consolidated financial statements.

TENABLE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands)	Redeemable Convertible Preferred Stock				Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Series A		Series B		Shares	Amount			
	Shares	Amount	Shares	Amount					
Balance at December 31, 2015	15,848	\$49,891	39,538	\$226,318	20,670	\$ 207	\$ 8,870	\$ (275,939)	\$ (266,862)
Accretion of Series A and B redeemable convertible preferred stock	—	22	—	741	—	—	(763)	—	(763)
Exercise of stock options	—	—	—	—	495	5	490	—	495
Stock-based compensation	—	—	—	—	—	—	2,447	—	2,447
Income tax benefit from stock options	—	—	—	—	—	—	(27)	—	(27)
Net loss	—	—	—	—	—	—	—	(37,208)	(37,208)
Balance at December 31, 2016	15,848	49,913	39,538	227,059	21,165	212	11,017	(313,147)	(301,918)
Cumulative effect of adoptions of new accounting standards	—	—	—	—	—	—	61	(38,418)	(38,357)
Accretion of Series A and B redeemable convertible preferred stock	—	22	—	741	—	—	(763)	—	(763)
Issuance of restricted stock award	—	—	—	—	1,583	16	(16)	—	—
Exercise of stock options	—	—	—	—	1,870	19	3,001	—	3,020
Repurchase of common stock	—	—	—	—	(146)	(1)	(384)	—	(385)
Stock-based compensation	—	—	—	—	—	—	7,760	—	7,760
Net loss	—	—	—	—	—	—	—	(41,022)	(41,022)
Balance at December 31, 2017	<u>15,848</u>	<u>\$49,935</u>	<u>39,538</u>	<u>\$227,800</u>	<u>24,472</u>	<u>\$ 246</u>	<u>\$ 20,676</u>	<u>\$ (392,587)</u>	<u>\$ (371,665)</u>

The accompanying notes are an integral part of these consolidated financial statements.

TENABLE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31,	
	2016	2017
Cash flows from operating activities:		
Net loss	\$(37,208)	\$(41,022)
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred income taxes	635	(873)
Depreciation and amortization	3,060	4,692
Stock-based compensation	2,532	7,760
Other	318	125
Changes in operating assets and liabilities:		
Accounts receivable	(13,560)	(14,769)
Prepaid expenses and other current assets	(605)	(8,345)
Deferred commissions	(9,777)	(20,058)
Other assets	(1,856)	(3,529)
Accounts payable and accrued expenses	825	1,922
Accrued compensation	10,957	4,298
Deferred revenue	44,228	63,404
Other current liabilities	(1,749)	421
Other liabilities	(585)	(554)
Net cash used in operating activities	(2,785)	(6,528)
Cash flows from investing activities:		
Purchases of property and equipment	(5,776)	(2,755)
Business combination	(2,075)	—
Net cash used in investing activities	(7,851)	(2,755)
Cash flows from financing activities:		
Proceeds from grant agreement	1,000	—
Principal payments of capital lease obligations	(47)	(306)
Credit facility issuance costs	—	(238)
Proceeds from the exercise of stock options	495	3,020
Repurchases of common stock	(85)	(385)
Net cash provided by financing activities	1,363	2,091
Effect of exchange rate changes on cash and cash equivalents	—	(68)
Net decrease in cash and cash equivalents	(9,273)	(7,260)
Cash and cash equivalents at beginning of year	43,743	34,470
Cash and cash equivalents at end of year	\$ 34,470	\$ 27,210
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6	\$ 79
Cash paid for income taxes	\$ 307	\$ 642
Supplemental disclosure of non-cash investing and financing activities:		
Assets acquired under capital leases	\$ 527	\$ 1,311
Asset retirement obligations	\$ —	\$ 764
Construction in progress	\$ —	\$ 2,252

The accompanying notes are an integral part of these consolidated financial statements.

TENABLE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business Description

Tenable Holdings, Inc. (the “Company,” “we,” or “our”) is a provider of Cyber Exposure solutions, which is a discipline for managing and measuring cybersecurity risk in the digital era. Our enterprise software platform enables broad visibility into an organization’s cyber exposure across the modern attack surface and deep insights that help organizations translate technical data into business insights to understand and reduce their cybersecurity risk.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and have been prepared in conformity with United States generally accepted accounting principles (“U.S. GAAP”). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates include, but are not limited to, the determination of the estimated economic life of perpetual licenses for revenue recognition, the estimated period of benefit for deferred commissions, useful lives of long-lived assets, the valuation of stock-based compensation, including the estimated underlying fair value of our common stock, and the valuation of deferred tax assets. We base these estimates on historical experience and on various other assumptions that are believed to be reasonable. Actual results could differ significantly from these estimates.

Pro Forma Net Loss per Share (Unaudited)

All currently outstanding shares of redeemable convertible preferred stock will automatically convert into common stock upon the closing of a qualifying initial public offering. The unaudited pro forma net loss per share attributable to common stockholders has been computed to give effect to the conversion of the redeemable convertible preferred stock into common stock as though such qualifying initial public offering occurred as of the beginning of the period.

Foreign Currency

The functional currency for all of our foreign subsidiaries is the U.S. dollar. Assets and liabilities denominated in other currencies are remeasured into U.S. dollars at current exchange rates for monetary assets and liabilities and at historical exchange rates for non-monetary assets and liabilities. We bill our customers in U.S. dollars. Expenses incurred in non U.S. dollar currencies are remeasured into U.S. dollars when incurred. Remeasurement gains and losses in currencies other than the functional currency were \$0.5 million and \$0.1 million in 2016 and 2017, respectively, and are included as a component of other expense, net in the consolidated statements of operations and comprehensive loss.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received from selling an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. We apply fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The carrying amounts reported in the consolidated financial statements approximate fair value for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses due to their short-term nature.

Concentrations

We sell our products and services through a channel network of distributors and resellers, along with our own sales teams. We derived 80% and 83% of revenue through our channel network in 2016 and 2017, respectively. One of our distributors accounted for 42% and 45% of revenue in 2016 and 2017, respectively. That same distributor accounted for 51% of accounts receivable at December 31, 2016 and 2017.

Revenue Recognition

We early adopted Accounting Standards Codification (“ASC”) Topic 606, *Revenue From Contracts With Customers* (“ASC 606”), on January 1, 2017 using the modified retrospective method and applying the guidance to all contracts as of January 1, 2017. The most significant impact of adopting ASC 606 was the deferral of perpetual license revenue over an estimated economic life, including estimated maintenance renewal periods, whereas under the previous guidance we recognized perpetual license revenue upon delivery of the perpetual license. Additionally, the incremental costs of obtaining a contract with a customer are deferred, and will be amortized over a longer estimated period of benefit, whereas under previous guidance we amortized such costs over the contract term.

The adoption of ASC 606 resulted in a cumulative adjustment to increase our accumulated deficit by \$38.4 million at January 1, 2017, which included a \$55.0 million increase to deferred revenue, primarily related to the deferral of perpetual license revenue, offset by a \$16.6 million increase to deferred commissions related to the longer estimated period of benefit compared to our historical practice. Of the \$55.0 million increase to deferred revenue at January 1, 2017, \$19.0 million was recognized as revenue in 2017, and \$16.7 million, \$11.8 million, \$5.6 million and \$1.9 million will be recognized as revenue in 2018, 2019, 2020 and 2021, respectively. The impact to revenue in 2017 was a net increase of \$3.5 million after giving effect to the recognition of perpetual license revenue from prior year sales and the deferral of perpetual license revenue from 2017 sales.

The core principle of ASC 606 is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve the core principle of ASC 606, we apply the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

We generate revenue from subscription arrangements for software and cloud-based solutions, perpetual licenses, maintenance associated with perpetual licenses, and professional services and other revenue.

The following table presents a summary of revenue:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Subscription revenue	\$ 80,399	\$ 132,873
Perpetual license and maintenance revenue	40,328	50,337
Professional services and other revenue	3,644	4,517
Total revenue	<u>\$ 124,371</u>	<u>\$ 187,727</u>

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Subscription Revenue

Subscription arrangements generally have annual or multi-year contractual terms and allow customers to use our software or cloud solutions, including ongoing software updates and the ability to identify the latest cyber security vulnerabilities. Revenue is recognized ratably over the subscription term given the critical utility provided by the ongoing updates that are released throughout the contract period.

Perpetual License and Maintenance Revenue

Perpetual licenses are generally sold with one or more years of maintenance, which include ongoing software updates and the ongoing ability to identify the latest cyber security vulnerabilities. Given the critical utility provided by the ongoing software updates and updated ability to identify network vulnerabilities included in maintenance, we combine the perpetual license and the maintenance into a single performance obligation. Perpetual license arrangements generally contain a material right related to the customer's ability to renew maintenance at a price that is less than the initial license fee. The estimated transaction price for the single performance obligation, including the material right, is recognized as revenue over an estimated economic life. We have estimated this economic life of perpetual license contracts to be five years, based on historical contract attrition, expected renewal periods, the lifecycle of the our technology and other factors.

Professional Services and Other Revenue

Professional services and other revenue is primarily comprised of advisory services and training related to the deployment and optimization of our products. These services do not result in significant customization of our products. Professional services and other revenue is recognized as the services are performed.

Contracts with Multiple Performance Obligations

In cases where our contracts with customers contain multiple performance obligations, the contract transaction price is allocated on a relative standalone selling price basis. We typically determine standalone selling price based on observable selling prices of our products and services.

Variable Consideration

We record revenue from sales at the net sales price, which is the transaction price, including estimates of variable consideration when applicable. Certain of our customers may be entitled to receive credits and in certain circumstances, refunds, if service level commitments are not met. We have not historically experienced significant incidents affecting the ability to meet these service level commitments and any estimated refunds related to these agreements have not been material.

Sales through our channel network of distributors and resellers are generally discounted as compared to the price that we would sell to an end user. Revenue for sales through our channel network is recorded net of any distributor or reseller margin.

Contract Balances

We generally bill our customers in advance and accounts receivable are recorded when we have the right to invoice the customer. Contract liabilities consist of deferred revenue and include customer billings and payments received in advance of performance under the contract. In 2017, we recognized revenue of \$106.8 million that was included in the deferred revenue balance at the beginning of 2017.

Remaining Performance Obligations

At December 31, 2017, the future estimated revenue related to unsatisfied performance obligations was \$228.9 million. We expect to recognize 69% of this revenue over the next twelve months, with the remainder recognized over the following four years.

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Impact of Adoption of ASC 606 on the 2017 Financial Statements

The following summarizes the impact of adopting ASC 606 on our consolidated statement of operations and comprehensive loss and balance sheet:

	Year Ended December 31, 2017		
	Without Adoption of ASC 606	Effect of Change (in thousands)	As Reported
Statement of Operations and Comprehensive Loss			
Revenue	\$ 184,263	\$ 3,464	\$ 187,727
Operating expenses:			
Sales and marketing	125,126	(8,827)	116,299
Net loss and comprehensive loss	(53,313)	12,291	(41,022)
	December 31, 2017		
	Without Adoption of ASC 606	Effect of Change (in thousands)	As Reported
Balance Sheet			
Assets:			
Deferred commissions (current)	\$ 15,779	\$ 1,391	\$ 17,170
Deferred commissions (net of current portion)	9,156	23,850	33,006
Liabilities:			
Deferred revenue (current)	135,014	19,884	154,898
Deferred revenue (net of current portion)	39,497	31,423	70,920
Stockholders' deficit:			
Accumulated deficit	(366,521)	(26,066)	(392,587)

Legacy Revenue Accounting Policies

For periods prior to January 1, 2017, we recognized revenue when all the following criteria were met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) the fee is fixed or determinable and (4) collectability is reasonably assured.

We recognized subscription revenue ratably over the term of the subscription period in accordance with ASC 605, *Revenue Recognition*. When subscription arrangements involved multiple elements that qualified as separate units of accounting, we allocated arrangement consideration at the inception of the arrangement to all deliverables based on the relative selling price method in accordance with the selling price hierarchy, which included (i) vendor-specific objective evidence (VSOE) if available, (ii) third-party evidence (TPE) if VSOE was not available, and (iii) best estimate of selling price (BESP) if neither VSOE nor TPE were available. When VSOE could not be established for deliverables within subscription arrangements, we utilized BESP in our allocation of arrangement consideration, as we generally could not establish TPE. BESP was determined by considering multiple factors including, but not limited to, prices charged for similar offerings, market conditions, competitive landscape, and pricing practices.

We recognized perpetual license revenue upon delivery of the license in accordance with ASC 985-605, *Software—Revenue Recognition*. We established VSOE of fair value for substantially all products and services with the exception of new subscription agreements and perpetual licenses. VSOE was established for maintenance and support based upon actual renewals and historical pricing when sold separately. Revenue from maintenance agreements was deferred and recognized ratably over the term of the maintenance period. The VSOE of fair value for professional services was based on the price for these same services when they were sold separately.

Other services revenue was recognized as the services were performed.

Cash and Cash Equivalents

We consider all highly liquid financial instruments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount, less an allowance for doubtful accounts, and do not bear interest. We maintain an allowance for doubtful accounts at an amount estimated to be sufficient to cover the risk of collecting less than full payment of the receivables. At each balance sheet date, we evaluate our receivables and assess the allowance for doubtful accounts based on specific customer collection issues and historical write-off trends.

Deferred Commissions

In connection with our adoption of ASC 606, sales commissions, including related incremental fringe benefit costs, are considered to be incremental costs of obtaining a contract. Sales commissions on initial sales are not commensurate with sales commissions on contract renewals and therefore are recognized over an estimated period of benefit, which ranges between three and four years for subscription arrangements and five years for perpetual license arrangements. We estimated the period of benefit based on the expected contract term including renewal periods, the lifecycle of our technology, and other factors. Sales commissions on contract renewals are capitalized and amortized ratably over the contract term, with the exception of contracts with renewal periods that are one year or less, in which case the incremental costs are expensed as incurred.

In 2017, we deferred incremental costs of obtaining a contract of \$34.6 million. Amortized costs were \$14.6 million and were included in sales and marketing expense in the consolidated statements of operations and comprehensive loss.

Prior to January 1, 2017, we capitalized sales commissions and recognized the expense over the corresponding period in which the related revenue was recognized. Commissions on perpetual license sales were recognized upon the delivery of the license.

Property and Equipment, net

Property and equipment, net is stated at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets: three years for computer software and equipment and five years for furniture and fixtures. Assets acquired under capital leases and leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful lives of the assets or the terms of the respective leases. Amortization of assets acquired under capital leases is included in depreciation expense. Repairs and maintenance costs are expensed as incurred.

Construction in Progress

In October 2017, we entered into a lease for our new corporate headquarters, which is currently being constructed in Columbia, Maryland. The lease has an anticipated start date in the third quarter of 2019 with a 12-year initial term and \$68.2 million of lease payments. Under current accounting guidance for build-to-suit lease arrangements, we concluded that we are the deemed owner of the building during the construction period. Accordingly, we recorded a construction-in-progress asset of \$2.3 million for which there is a corresponding construction financing obligation of \$1.8 million, net of a \$0.5 million deposit, recorded in the consolidated balance sheet at December 31, 2017. We will continue to increase the construction-in-progress asset and

corresponding long-term liability as additional building costs are incurred by the landlord during the construction period. Upon completion of the construction, we will evaluate whether or not this arrangement meets the criteria for sale-leaseback accounting treatment.

Impairment of Long-Lived Assets

We evaluate our long-lived assets for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured as the excess of the carrying amount over the fair value. There was no impairment of long-lived assets in 2016 or 2017.

Business Combinations

We account for business combinations by recognizing the fair value of acquired assets and liabilities. The excess purchase consideration over the fair value of acquired assets and liabilities is recorded as goodwill. Acquisition-related transaction costs are expensed as incurred.

When determining the fair value of assets acquired and liabilities assumed, we make estimates and assumptions, especially with respect to intangible assets. Estimates in valuing certain identifiable assets include, but are not limited to, expected long-term market growth, future expected operating expenses, costs of capital, and appropriate discount rates. Our estimate of fair value is based upon assumptions we believe to be reasonable, but which are inherently uncertain and, as a result, actual results may differ from estimates.

In September 2016, we purchased the technology and related assets of a company whose software performs vulnerability and malware detection, along with continuous monitoring, for containers. The purchase consideration was \$2.1 million in cash, which included \$1.8 million of purchased technology and \$0.3 million of goodwill. No tangible assets were acquired. Acquisition-related costs were not material.

Goodwill

We perform our annual impairment assessment on October 1, or more frequently, when events or circumstances indicate impairment may have occurred. We operate as one reporting unit, and have elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of the Company as a whole is less than its carrying amount, including goodwill. The qualitative assessment includes an evaluation of relevant events and circumstances, including macroeconomic, industry and market conditions, our overall financial performance, and trends in the value of our common stock. Based on our annual impairment test on October 1, 2017, we concluded it was not more likely than not that goodwill was impaired.

Advertising

Advertising costs are expensed as they are incurred. We incurred advertising costs of \$1.1 million and \$3.2 million in 2016 and 2017, respectively, and are included in sales and marketing expense in the consolidated statements of operations and comprehensive loss.

Software Development Costs

Research and development costs to develop software to be sold, leased or marketed are expensed as incurred up to the point of technological feasibility for the related software product. We have not capitalized development costs for software to be sold, leased or marketed to date, as the software development process is essentially completed concurrent with the establishment of technological feasibility. As such, these costs are expensed as incurred and recognized in research and development costs in the consolidated statements of operations and comprehensive loss.

Software developed for internal use, with no substantive plans to market such software at the time of development, are capitalized. Costs incurred during the preliminary planning and evaluation and post implementation stages of the project are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. In 2016 and 2017, capitalized costs related to software developed for internal use were immaterial.

Stock-Based Compensation

Stock-based compensation expense is calculated based on the fair value of the awards granted and is recognized on a straight-line basis over the requisite service period, which is generally three to four years. The fair value of each stock option award is estimated on the grant date using the Black-Scholes option pricing model, which requires us to make assumptions and judgements, including the fair value of the underlying common stock, expected term, expected volatility, and risk-free interest rates. The fair value of restricted stock is based on the estimated fair value of our common stock at the date of the grant.

Prior to January 1, 2017, we recognized stock-based compensation expense net of estimated forfeitures. We adopted Accounting Standards Update (“ASU”) No. 2016-09 – *Compensation-Stock Compensation (Topic 718)* (“ASU 2016-09”) on January 1, 2017 and made an accounting policy election to account for forfeitures as they occur. This election was applied on a modified retrospective basis resulting in a cumulative-effect adjustment to increase accumulated deficit by \$0.1 million. ASU 2016-09 also requires excess tax benefits and tax deficiencies to be recorded in the income statement as opposed to additional paid-in capital when the awards vest or are settled, and we applied this on a prospective basis beginning on January 1, 2017. In addition, ASU 2016-09 eliminated the requirement that excess tax benefits be realized before they can be recorded. As a result, on January 1, 2017, we recorded a deferred tax asset of \$1.9 million attributable to excess tax benefits from stock-based compensation, which had not been previously recognized, with a corresponding increase to the valuation allowance.

Leases and Asset Retirement Obligations

We lease facilities and equipment under operating or capital lease arrangements and recognize rent expense on a straight-line basis over the lease term beginning on the date that the legal right to use and control the facility or equipment is obtained. Rent holidays, scheduled rent increases and lease incentives are included in the determination of rent expense to be recorded over the lease term.

A liability is established at the inception of a lease, as needed, for the present value of estimated future costs to return the leased space to its original condition at the termination or expiration of a lease. A corresponding asset is recorded as a fixed asset in the period in which the obligation is incurred. Such assets are amortized over the estimated useful life of the asset and the recorded liabilities are accreted to the future value of the estimated retirement costs.

Net Loss per Share

We calculate basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities. We consider our Series A and B redeemable convertible preferred stock to be participating securities as in the event a dividend is paid on common stock, the holders of our Series A and B redeemable convertible preferred stock would be entitled to receive dividends on a basis consistent with the common stockholders. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of our redeemable convertible preferred stock do not have a contractual obligation to share in losses.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common

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stock outstanding during the period. Net loss attributable to common stockholders is calculated by adjusting net loss by the current period accretion of redeemable convertible preferred stock. Diluted earnings per share attributable to common stockholders is computed by giving effect to all potentially dilutive common stock equivalents in the period, including stock options, unvested restricted shares and redeemable convertible preferred stock. As we have reported losses for all periods presented, all potentially dilutive securities have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect would be antidilutive.

Segment Information

We operate as one operating segment as our chief executive officer, who is our chief operating decision maker, reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. We have presented geographical information about revenue and long-lived assets in Note 11.

Income Taxes

Income taxes are accounted for under the asset and liability method. This method requires recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities, net operating loss carryforwards, and tax credit carryforwards. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized.

We recognize tax benefits from an uncertain tax position if it is more likely than not to be sustained upon audit by the relevant taxing authority. Interest and penalties associated with such uncertain tax positions are classified as a component of income tax expense.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02 – *Leases (Topic 842)*, which will require, among other items, lessees to recognize a right-of-use asset and a lease liability for most leases. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2018 for public business entities and for fiscal years beginning after December 15, 2019 for private companies. Early adoption is permitted. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

3. Property and Equipment, Net

Property and equipment, net consisted of the following:

	December 31,	
	2016	2017
	(in thousands)	
Computer software and equipment	\$ 9,485	\$ 9,089
Furniture and fixtures	1,806	2,102
Leasehold improvements	5,051	6,452
Equipment under capital lease obligations	528	1,839
Total	16,870	19,482
Less: accumulated depreciation and amortization	(7,009)	(8,728)
Property and equipment, net	<u>\$ 9,861</u>	<u>\$10,754</u>

Depreciation and amortization expense related to property and equipment was \$2.9 million and \$4.1 million in 2016 and 2017, respectively.

4. Intangible Assets, Net

Intangible assets consisted of \$1.8 million of purchased technology, which is amortized over a three-year period. Accumulated amortization was \$0.2 million and \$0.8 million at December 31, 2016 and 2017, respectively.

Amortization of intangible assets was \$0.2 million and \$0.6 million in 2016 and 2017, respectively. Estimated future amortization of intangible assets is \$0.6 million and \$0.4 million in 2018 and 2019, respectively.

5. Debt

On May 4, 2017, we entered into a \$25.0 million revolving credit facility (“Credit Facility”) with Silicon Valley Bank, which is available for use until May 4, 2020. The Credit Facility is intended to fund working capital and to provide increased liquidity and financial flexibility and bears interest at either LIBOR plus 2%, or the Prime Rate plus 1%. In addition, we pay quarterly in arrears 0.25% of the average unused portion. The Credit Facility is secured by a first priority security interest in all of our assets, with a negative pledge on our Intellectual Property, as defined in the credit agreement.

The Credit Facility contains certain restrictive covenants customary for facilities of this type including restrictions on indebtedness, liens, acquisitions and investments, restricted payments and dispositions. If, as of the last day of any quarter, the outstanding balance of the Credit Facility exceeds \$5.0 million, there are financial covenants that require us to maintain a minimum level of earnings before income taxes, interest, depreciation and amortization (“EBITDA”) adjusted to add changes in deferred revenue for the period, and a minimum current ratio level. There were no borrowings under the Credit Facility in 2017.

6. Commitments and Contingencies

Operating and Capital Leases

We have entered into various non-cancelable operating leases, primarily related to office real estate, that expire through 2022 and generally contain renewal options for up to five years. Rent expense was \$2.5 million and \$3.6 million in 2016 and 2017, respectively.

We also lease computer and office equipment under non-cancelable capital leases that expire through 2022. The total obligations for capital lease arrangements were \$0.5 million and \$1.5 million at December 31, 2016 and 2017, respectively.

Future minimum lease payments under non-cancelable operating and capital leases at December 31, 2017 were as follows:

<i>(in thousands)</i>	
Years ending December 31:	
2018	\$ 4,397
2019	4,329
2020	4,375
2021	7,477
2022	6,207
Thereafter	57,852
Total future minimum lease payments	<u>\$84,637</u>

Total future minimum lease payments includes \$68.2 million of future lease payments related to the lease of our new headquarters, which is currently being constructed in Columbia, Maryland. These lease payments are expected to commence in the fourth quarter of 2020.

Grant Agreements

We entered into a grant agreement in the form of a loan for \$1.0 million with the State of Maryland in 2016 with a term ending on December 31, 2025. The borrowings bear interest at 3.0%. In addition, we entered into a grant agreement for \$0.1 million with the Howard County Economic Development Authority in 2015 with a term ending on December 31, 2020. The total \$1.1 million balance is included in other liabilities in our consolidated balance sheets. The proceeds of these grants were used as part of the further expansion of our current corporate headquarters. The conditions of these grants stipulate that principal and accrued interest will be forgiven if we achieve and maintain specified employment levels and we maintain our headquarters location in Howard County, Maryland through the end of the term.

7. Redeemable Convertible Preferred Stock and Common Stock

Redeemable Convertible Preferred Stock

In October 2012, Tenable, Inc. (now a wholly owned subsidiary of Tenable Holdings, Inc.) issued 15,847,500 shares of Series A redeemable convertible preferred stock at a price of \$3.155067 per share, for an aggregate purchase price of \$50 million, less \$0.1 million in transaction costs. In December 2015, we issued 15,847,500 shares, par value of \$0.01, of Series A redeemable convertible preferred stock (“Series A”) in exchange for Series A Convertible Preferred Stock of Tenable, Inc., in connection with a recapitalization. This exchange was made on a one for one basis. In addition, we authorized 42,000,000 shares and issued 39,538,354 shares, par value of \$0.01, of Series B Convertible Preferred Stock (“Series B”) to certain investors at a price of \$5.81735 per share. The gross purchase price was \$230.0 million and we incurred transaction costs of \$3.7 million. These proceeds were used to repurchase 39,387,322 shares of Tenable, Inc.’s common stock from its former stockholders in connection with the recapitalization.

Series A and Series B (together, the “Redeemable Convertible Preferred Stock”) convert 1:1 to common stock at the option of the holder, subject to adjustments for stock dividends, splits, combinations and similar events. In the event of any liquidation, dissolution or winding up of the Company, the proceeds would be paid such that Series A will receive one times the Series A original purchase price plus declared and unpaid dividends on each share. Thereafter, Series B will receive one times the Series B original purchase price, plus declared and unpaid dividends on each share. No dividends have been declared or paid to date, and there are no cumulative dividends. The Redeemable Convertible Preferred Stock will be entitled to dividends at the discretion of the Board of Directors. Thereafter, Series A participates with common stock pro rata on an as-converted basis until the holders of Series A receive an aggregate of three times the Series A original purchase price. Thereafter, the remaining proceeds will be paid to the holders of common stock on a pro-rata basis including any conversions of Redeemable Convertible Preferred Stock to common stock.

A dissolution, merger or consolidation (other than one in which our stockholders own a majority by voting power of the outstanding shares of the surviving or acquiring corporation), a sale, lease, transfer, exclusive license or other disposition of all or substantially all of our assets, or a series of related transactions in which a majority of the total of outstanding voting power is transferred will be treated as a liquidation event, thereby triggering payment of the liquidation preferences described above unless the holders of 60% of the Redeemable Convertible Preferred Stock elect otherwise.

The shares of Redeemable Convertible Preferred Stock vote together with the common stock on an as-converted basis and not as a separate class.

In the event that we issue additional securities at a purchase price less than the Series A or Series B conversion price, such conversion price shall be adjusted pursuant to a broad-based weighted average anti-dilution formula. Each share of Redeemable Convertible Preferred Stock will automatically convert into common stock at the then applicable conversion rate in the event of the closing of a qualifying firm commitment underwritten public offering.

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The Redeemable Convertible Preferred Stock is redeemable after December 18, 2020 at the option of at least 60% of the holders of Series A or Series B at an amount equal to the Series A original purchase price for Series A holders or Series B original purchase price for Series B holders, plus all declared but unpaid dividends. If redeemed, redemption would occur in three equal annual installments. All shares of Series A or Series B Convertible Preferred Stock would be redeemed in any such redemption.

We are accreting the Redeemable Convertible Preferred Stock to the redemption price at the redemption date using the effective interest method.

Common Stock

The voting, dividend, and liquidation rights of common stockholders are subject to, and qualified by, the rights of preferred stockholders. The common stockholders are entitled to receive dividends when, as and if, declared by the Board of Directors, subject to preferential dividend rights of preferred stockholders. Upon dissolution or liquidation, our common stockholders will be entitled to receive all assets available for distribution to stockholders, subject to preferential rights of preferred stockholders.

8. Stock-Based Compensation

We have various stock incentive plans under which we have issued stock-based awards. Stock options granted under our stock incentive plans have a maximum term of ten years, generally vest over a period of three to four years, and the exercise price cannot be less than the fair market value on the date of grant. There were 522,759 shares available for grant at December 31, 2017. In February 2018, the Board of Directors approved an increase of 3.0 million shares available for grant under the 2016 Plan.

A summary of our stock option activity is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
		(dollars in thousands, except for per share data and years)		
Outstanding at December 31, 2015	7,616	\$ 2.15	7.4	\$ 17,237
Granted	2,800	4.15		
Exercised	(495)	1.00		1,567
Forfeited/canceled	(585)	2.84		
Outstanding at December 31, 2016	9,336	2.77	7.2	15,374
Granted	9,022	5.22		
Exercised	(1,870)	1.62		7,667
Forfeited/canceled	(1,915)	3.21		
Outstanding at December 31, 2017	<u>14,573</u>	4.38	8.2	77,020
Exercisable at December 31, 2017	<u>3,557</u>	2.50	5.7	25,468

At December 31, 2017, there were 14.6 million stock options that were vested and expected to vest, with a weighted average exercise price of \$4.38 per share, a weighted average remaining contractual term of 8.2 years and an aggregate intrinsic value of \$77.0 million.

We granted stock options to employees in 2016 and 2017 that vest over three to four years and had a weighted average grant date fair value of \$2.03 and \$2.48, respectively. Estimating the fair value of stock options using the Black-Scholes option-pricing model require assumptions as to the fair value of our underlying common stock, the estimated term of the option, the risk free interest rates, the expected volatility of the price of our common stock, and the expected dividend yield.

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Fair Value of Common Stock—The lack of an active public market for our common stock requires an estimate of the fair value of the common stock for granting stock options and restricted shares, and for determining stock-based compensation expense. Contemporaneous third-party valuations were obtained to assist in determining the fair value of our common stock. The contemporaneous valuations were performed in accordance with applicable methodologies, approaches and assumptions of the technical practice-aid issued by the American Institute of Certified Public Accountants Practice Aid entitled *Valuation of Privately-Held Company Equity Securities Issued as Compensation*. Factors considered in connection with estimating the fair value of our common stock included:

- The results of independent third-party valuations of our common stock
- Recent arm's length transactions involving the sale or transfer of our common stock
- The rights, preferences, and privileges of our Series A and Series B redeemable convertible preferred stock relative to those of our common stock
- Our historical financial results and future financial projections
- The market value of equity interests in substantially similar businesses, which equity interests can be valued through nondiscretionary, objective means
- The lack of marketability of our common stock
- The likelihood of achieving a liquidity event, such as an initial public offering given prevailing market conditions
- Industry outlook
- General economic outlook including economic growth, inflation and unemployment, interest rate environment and global economic trends

Expected Term—This is the period of time that the options granted are expected to remain unexercised. We employ the simplified method to calculate the average expected term.

Expected Volatility—Volatility is a measure of the amount by which a financial variable, such as a share price, has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. As we do not yet have sufficient history of our own volatility, we have identified several public entities of similar size, complexity, and stage of development and estimate volatility based on the volatility of these companies.

Risk-Free Interest Rate—This is the U.S. Treasury rate, having a term that most closely resembles the expected life of the stock option.

Expected Dividend Yield—We have never declared or paid dividends and has no plans to do so in the foreseeable future.

The fair value of each stock option was estimated on the grant date using the Black-Scholes option-pricing model, based on the following assumptions:

	Year Ended December 31,	
	2016	2017
Expected term (in years)	6.3	6.3
Expected volatility	50.0%-50.1%	45.2%-47.0%
Risk-free interest rate	1.1%-1.5%	1.9%-2.4%
Expected dividend yield	—	—
Expected forfeiture rate	1.4%-5.8%	—

In 2017, we granted 1.6 million shares of restricted stock with a weighted average grant date fair value of \$4.25 per share. The grant date fair value was based on the estimated fair value of our common stock on the date of grant.

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Stock-based compensation expense included in the consolidated statements of operations and comprehensive loss was as follows:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Cost of revenue	\$ 223	\$ 281
Sales and marketing	969	1,579
Research and development	602	1,782
General and administrative	738	4,118
Total stock-based compensation expense	<u>\$2,532</u>	<u>\$7,760</u>

At December 31, 2017, the total unrecognized stock-based compensation expense related to outstanding stock options was \$21.7 million, which is expected to be recognized over an estimated remaining weighted average period of 3.1 years.

At December 31, 2017, the unrecognized stock-based compensation expense related to the unvested restricted stock expected to vest was \$5.0 million, which is expected to be recognized over an estimated remaining period of 3.0 years.

9. Net Loss Per Share Attributable to Common Stockholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Year Ended December 31,	
	2016	2017
	(in thousands, except per share data)	
Net loss attributable to common stockholders	<u>\$(37,971)</u>	<u>\$(41,785)</u>
Weighted-average common shares outstanding, basic and diluted	<u>20,974</u>	<u>22,211</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (1.81)</u>	<u>\$ (1.88)</u>

The following potentially dilutive securities have been excluded, from the diluted per share calculations because they would have been antidilutive:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Redeemable convertible preferred stock	55,386	55,386
Stock options	9,336	14,573
Restricted shares	—	1,583
Total	<u>64,722</u>	<u>71,542</u>

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Pro Forma Net Loss Per Share (Unaudited)

The following table presents the calculation of pro forma basic and diluted net loss per share attributable to common stockholders, giving effect to the conversion of our redeemable convertible preferred stock into common stock as though the conversion occurred at the beginning of the period:

(in thousands, except per share data)	Year Ended December 31, 2017 (unaudited)
Numerator:	
Net loss attributable to common stockholders	\$ (41,785)
Accretion of redeemable convertible preferred stock	763
Net loss	<u>\$ (41,022)</u>
Denominator:	
Weighted-average common shares outstanding, basis and diluted	22,211
Pro forma adjustment to reflect conversion of redeemable convertible preferred stock	55,386
Weighted-average shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted	<u>77,597</u>
Pro forma net loss attributable to common stockholders, basic and diluted	<u>\$ (0.53)</u>

10. Income Taxes

U.S. and international components of loss before income taxes were as follows:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
U.S. loss	\$(40,330)	\$(29,357)
Foreign income (loss)	3,965	(11,494)
Total loss before income taxes	<u>\$(36,365)</u>	<u>\$(40,851)</u>

The components of the provision for income taxes were as follows:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Current		
Federal	\$ (71)	\$ 140
State	(80)	6
Foreign	359	898
Total current tax expense	208	1,044
Deferred		
Foreign	635	(873)
Total deferred tax expense (benefit)	635	(873)
Total provision for income taxes	<u>\$843</u>	<u>\$ 171</u>

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The items accounting for the difference between income taxes computed at the federal statutory rate and our effective tax rate were as follows:

	Year Ended December 31,	
	2016	2017
U.S. federal statutory tax rate	34.0%	34.0%
State and local taxes	4.9	2.4
Research and development tax credit	2.2	3.0
Uncertain tax positions	0.5	(0.2)
Foreign tax rate differential	1.4	(4.0)
Transition tax	—	(2.7)
Revaluation of U.S. deferred income taxes	—	(34.5)
Valuation allowance	(43.3)	2.7
Other	(2.0)	(1.1)
Effective tax rate	<u>(2.3)%</u>	<u>(0.4)%</u>

We maintain a valuation allowance on U.S. federal and state net deferred tax assets as the realization of our deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain.

The components of the deferred tax assets and liabilities were as follows:

	Year Ended December 31,	
	2016	2017
(in thousands)		
Deferred tax assets:		
Net operating loss	\$ 18,591	\$ 29,227
Deferred revenue	3,244	14,327
Tax credits	2,811	4,112
Deferred rent	1,025	567
Stock-based compensation	1,413	663
Accrued compensation	258	415
Other	156	37
Total deferred tax assets	27,498	49,348
Valuation allowance	(22,750)	(36,403)
Net deferred tax assets	4,748	12,945
Deferred tax liabilities:		
Deferred commissions	(4,474)	(12,306)
Property and equipment	(875)	(367)
Intangible assets	(273)	—
Other	—	(272)
Total deferred tax liabilities	(5,622)	(12,945)
Net deferred tax liabilities	\$ (874)	\$ —

At December 31, 2017, we had net operating loss (“NOL”) carryforwards for federal, state and foreign tax purposes of \$103.7 million, \$38.6 million, and \$18.4 million, respectively, which will begin to expire in 2030, as well as \$5.1 million of federal, state and foreign research and development tax credits, foreign tax credits, minimum tax credits and certain states’ job creation tax credits. The federal research and development and foreign tax credits will begin to expire in 2032 and the state job creation tax credits will begin to expire in 2018.

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We recorded deferred tax assets of \$21.0 million related to deferred revenue previously recognized for tax purposes, deferred tax liabilities of \$6.3 million related to capitalizing commission and fringe benefit costs previously expensed for tax purposes, and a corresponding valuation allowance of \$14.7 million from adopting ASC 606.

In 2016 we recorded a \$15.7 million increase in our valuation allowance to offset the net increase in our deferred tax asset balances at December 31, 2016, primarily related to net operating losses. In 2017, we recorded a \$13.7 million increase in our valuation allowance to offset the net increase in our deferred tax asset balances at December 31, 2017, which was comprised of a \$14.7 million increase related to the adoption of ASC 606 described above, an \$11.2 million increase primarily related to the increase in net operating losses and a \$1.9 million increase related to the adoption of ASU 2016-09, offset by a \$14.1 million reduction in deferred tax assets from the remeasurement of U.S. federal and state deferred tax assets resulting from the 2017 Tax Cuts and Jobs Act described below.

We are currently subject to the annual limitation under Section 382 and 383 of the Internal Revenue Code. We will not be precluded from realizing the NOL carryforward and tax credits but may be limited in the amount we could utilize in any given tax year in the event that the federal and state taxable income will exceed the limitation imposed by Section 382. The amount of the annual limitation is determined based on our value immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years.

At December 31, 2016 and 2017, the total amount of gross unrecognized tax benefits was \$0.7 million and \$1.2 million, respectively, which, if recognized, would impact our effective tax rate by \$0.1 million in each year. Interest and penalties associated with uncertain tax positions recognized as a component of income tax expense were immaterial in 2016 and 2017.

The change of gross unrecognized tax benefits, excluding accrued interest were as follows:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Unrecognized tax benefits at the beginning of the period	\$ 663	\$ 736
Additions for tax positions in the current year	233	446
Increase in prior year positions	—	30
Decrease in prior year positions	(160)	(13)
Unrecognized tax benefits at the end of the period	<u>\$ 736</u>	<u>\$1,199</u>

We file income tax returns in the United States, including various state jurisdictions. Our subsidiaries file income tax returns in various foreign jurisdictions. The tax years 2014 to 2017 remain open to examination by the major taxing jurisdictions in which we are subject to tax. At December 31, 2017, we were not under examination by the Internal Revenue Service or any state or foreign tax jurisdiction.

U.S. 2017 Tax Cuts and Jobs Act

On December 22, 2017, the Tax Cuts and Jobs Act (the “2017 Tax Act”) was enacted into law, and contains several significant changes, including the reduction of the corporate income tax rate from 35% to 21% effective January 1, 2018. As a result, we re-measured our U.S. federal and state deferred tax assets and liabilities to reflect the reduction to the federal tax rate. The re-measurement resulted in a reduction of \$14.1 million to the U.S. federal and state deferred tax assets and a corresponding change in our valuation allowance.

The new legislation also includes a variety of other changes, such as a one-time repatriation tax on accumulated foreign earnings (“transition tax”), acceleration of business asset expensing and reduction in the amount of executive pay that could qualify as a tax deduction.

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The 2017 Tax Act also included international tax provisions that will affect us, including the favorable tax regime for taxing foreign derived intangible income. Additional international provisions include the global intangible low taxed income (“GILTI”) regime and the base erosion anti-abuse tax (“BEAT”).

The 2017 Tax Act includes a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings are no longer subject to U.S. tax after 2017. We did not incur any cash taxes related to the one-time transition tax on the mandatory deemed repatriation of foreign earnings due to current period tax loss that the U.S. group generated. In determining the U.S. group taxable loss, we included the one-time deemed repatriation income of \$1.8 million.

Depending on the jurisdiction, distributions of earnings could be subject to withholding taxes at rates applicable to the distributing jurisdiction. As we intend to continue to reinvest the earnings of foreign subsidiaries indefinitely, we did not provide for a U.S. income tax liability and foreign withholding taxes on undistributed foreign earnings of foreign subsidiaries. Our share of undistributed earnings of foreign subsidiaries that could be subject to foreign withholding taxes was immaterial at December 31, 2016 and 2017. As a result of the 2017 Tax Act, companies are no longer required to pay U.S. tax on dividends from foreign subsidiaries.

We are following the guidance in Securities and Exchange Commission Staff Accounting Bulletin 118 (“SAB 118”), which provides a company with the ability to record provisional amounts based on reasonable estimates that are subject to a measurement period of up to one year. At December 31, 2017, we have not yet completed the accounting for the tax effects of the enactment of the 2017 Tax Act; however, in certain cases, as described above, we have made a reasonable estimate of the effects on existing deferred tax balances and the one-time transition tax. We will continue to evaluate the transition tax obligation and application of GILTI and have not yet made an election with regard to GILTI. Subsequent adjustments resulting from additional analysis may be recorded in 2018 when our analysis is expected to be completed.

11. Geographic Information

The following table summarizes the revenue by region based on address of the end user as specified in our subscription, license or service agreements:

	Year Ended December 31,	
	2016	2017
	(in thousands)	
Americas	\$ 92,377	\$ 138,876
Europe, Middle East and Africa	22,211	34,121
Asia Pacific	9,783	14,730
Total revenue	<u>\$ 124,371</u>	<u>\$ 187,727</u>

Customers located in the United States accounted for 69% of total revenue in 2016 and 2017. No other country accounted for 10% or more of revenue for the periods presented.

Our property and equipment, net by geographic area is summarized as follows:

	December 31,	
	2016	2017
	(in thousands)	
United States	\$7,154	\$ 6,581
International	2,707	4,173
Total property and equipment, net	<u>\$9,861</u>	<u>\$10,754</u>

12. Benefit Plans

We maintain a contributory defined contribution 401(k) plan for our U.S. employees. We adopted a Safe Harbor Plan effective January 1, 2016, and as a result, company-matched contributions are fully vested. Additional contributory plans are in effect internationally. Our contribution expense for such plans was \$2.7 million and \$3.3 million in 2016 and 2017, respectively.

13. Subsequent Events

We have evaluated subsequent events through April 27, 2018, the date in which the accompanying consolidated financial statements were available to be issued.



PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the listing fee.

	Amount to be Paid
SEC registration fee	\$ *
FINRA filing fee	*
initial listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous fees and expenses	*
Total	\$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

We are incorporated under the laws of the State of Delaware. Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

As permitted by the Delaware General Corporation Law, our amended and restated bylaws will provide that: (1) we are required to indemnify our directors and executive officers to the fullest extent permitted by the Delaware General Corporation Law; (2) we may, in our discretion, indemnify our other officers, employees and agents as set forth in the Delaware General Corporation Law; (3) we are required, upon satisfaction of certain conditions, to advance all expenses incurred by our directors and executive officers in connection with certain

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legal proceedings; (4) the rights conferred in the bylaws are not exclusive; (5) we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and (6) we may secure insurance on behalf of any director, officer, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

Our policy is to enter into agreements with our directors and executive officers that require us to indemnify them against expenses, judgments, fines, settlements and other amounts that any such person becomes legally obligated to pay (including with respect to a derivative action) in connection with any proceeding, whether actual or threatened, to which such person may be made a party by reason of the fact that such person is or was a director or officer of us or any of our affiliates, provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, our best interests. These indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder. At present, no litigation or proceeding is pending that involves any of our directors or officers regarding which indemnification is sought, nor are we aware of any threatened litigation that may result in claims for indemnification.

We maintain a directors' and officers' liability insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions.

In addition, the underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, or otherwise. Our amended and restated investors' rights agreement with certain stockholders filed as Exhibit 4.2 to this registration statement also provides for cross-indemnification in connection with the registration of our common stock on behalf of such investors.

See the undertakings set forth in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information regarding all unregistered securities issued by us since January 1, 2015 through the date of the prospectus that is a part of this registration statement. In December 2015, we effected a recapitalization in which we issued common stock and preferred stock in exchange for shares of our predecessor company, Tenable, Inc., and assumed certain options to purchase shares of common stock of Tenable, Inc., which became options to purchase shares of the registrant. The issuances both pursuant to and after our recapitalization are reflected below.

Issuances of Capital Stock

- In December 2015, we issued an aggregate of 20,670,193 shares of our common stock to accredited investors in exchange for the same number of shares of common stock of Tenable, Inc. in connection with our recapitalization. See "Prospectus Summary—Corporate Information" of the prospectus that is part of this registration statement.
- In December 2015, we issued an aggregate of 15,847,500 shares of our Series A redeemable convertible preferred stock to accredited investors affiliated with Accel in exchange for the same number of shares of Series A redeemable convertible preferred stock of Tenable, Inc. in connection with our recapitalization further discussed in "Prospectus Summary—Corporate Information" of the prospectus that is part of this registration statement.
- In December 2015, we issued an aggregate of 39,538,354 shares of our Series B redeemable convertible preferred stock to accredited investors affiliated with Accel and Insight Venture Partners, at a price per share of \$5.81735, for aggregate consideration of \$230.0 million.

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The offers, sales and issuances of the securities described in this section were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D promulgated thereunder as a transaction by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was either an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act or had adequate access, through employment, business or other relationships, to information about us.

Issuances of Equity Awards

From January 1, 2015 through the date of this registration statement:

- in connection with the recapitalization, options to purchase shares of common stock of Tenable, Inc. were assumed and converted into options to purchase an aggregate of 7,616,253 shares of our common stock to a total of 209 employees, consultants and directors; and
- since the recapitalization, we have granted under our 2016 Plan options to purchase an aggregate of 12,987,191 shares of our common stock to a total of 462 employees, consultants and directors, having exercise prices ranging from \$4.15 to \$10.97 per share, and a restricted stock award for 1,582,685 shares of our common stock to one employee.

Of these, options to purchase an aggregate of 792,050 shares have been cancelled without being exercised and 146,118 shares were issued upon the exercise of stock options, at a weighted average exercise price of \$4.18 per share, for aggregate proceeds of approximately \$611,000. The offers, sales and issuances of the securities described in this section were exempt from registration either under Rule 701 promulgated under the Securities Act, in that the transactions were under written compensatory benefit plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and accredited investors and did not involve any public offering within the meaning of Section 4(a)(2). The recipients of such securities were our employees, directors or consultants and received the securities under our equity incentive plans. Appropriate legends were affixed to the securities issued in these transactions.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

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|------|--|
| 1.1† | Form of Underwriting Agreement. |
| 3.1 | Amended and Restated Certificate of Incorporation of Tenable Holdings, Inc., as amended and as currently in effect. |
| 3.2† | Form of Amended and Restated Certificate of Incorporation of Tenable Holdings, Inc. to be effective upon closing of this offering. |
| 3.3 | Bylaws of Tenable Holdings, Inc., as amended and as currently in effect. |
| 3.4† | Form of Amended and Restated Bylaws of Tenable Holdings, Inc. to be effective upon closing of this offering. |
| 4.1† | Form of Common Stock Certificate of Tenable Holdings, Inc. |
| 4.2 | Investors' Rights Agreement by and among Tenable Holdings, Inc. and certain of its stockholders, dated December 18, 2015. |
| 5.1† | Opinion of Cooley LLP. |

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10.1+	2016 Stock Incentive Plan and Irish Supplement and Forms of Option Grant Notice and Agreement and Exercise Notice and Form of Restricted Stock Grant Notice and Agreement thereunder, as amended to date.
10.2+	2012 Stock Incentive Plan and Form of Notice of Stock Option Grant and Form of Stock Option Agreement and Notice of Exercise and Common Stock Purchase Agreement thereunder, as amended to date.
10.3+	2002 Stock Incentive Plan and Form of Notice of Option Grant and Form of Stock Option Agreement and Form of Notice of Stock Option Exercise and Form of Stock Award Agreement thereunder, as amended to date.
10.4†+	2018 Equity Incentive Plan and Forms of Stock Option Grant Notice and Agreement and Restricted Stock Unit Grant Notice and Agreement thereunder.
10.5†+	Non-Employee Director Compensation Plan to be effective upon the closing of this offering.
10.6†+	Form of Indemnification Agreement by and between Tenable Holdings, Inc. and each of its directors and executive officers.
10.7+	Offer Letter, dated as of October 23, 2016, by and between Tenable Network Security, Inc. and Amit Yoran, and the addendum thereto dated February 9, 2017.
10.8+	Offer Letter, dated as of October 14, 2014, by and between Tenable Network Security, Inc. and Steve Vintz.
10.9+	Offer Letter, dated as of February 17, 2017, by and between Tenable Network Security, Inc. and John Negron.
10.10+	Offer Letter, dated as of May 19, 2016, by and between Tenable Network Security, Inc. and Stephen A. Riddick.
10.11	Loan and Security Agreement, dated as of May 4, 2017, by and between Tenable Network Security, Inc. and Silicon Valley Bank.
10.12†#	Distribution Agreement, dated as of September 10, 2012, by and between Tenable Network Security, Inc. and Ingram Micro, Inc.
21.1†	Subsidiaries of Tenable Holdings, Inc.
23.1†	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2†	Consent of Cooley LLP (included in Exhibit 5.1).
24.1†	Power of Attorney. Reference is made to the signature page hereto.

† To be filed by amendment.

+ Indicates management contract or compensatory plan.

Confidential treatment requested as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

No financial statement schedules are provided because the information called for is not required, not present in material amounts or is shown either in the consolidated financial statements or related notes, which are incorporated herein by reference.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification

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against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Columbia, Maryland, on the _____ day of _____, 2018.

By: **TENABLE HOLDINGS, INC.**

Amit Y. Yoran
Chairman and Chief Executive Officer

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Amit Yoran, Stephen Vintz and Stephen A. Riddick, and each of them, his true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (1) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (2) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (3) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (4) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Amit Y. Yoran	Chairman and Chief Executive Officer <i>(Principal Executive Officer)</i>	, 2018
_____ Stephen A. Vintz	Chief Financial Officer <i>(Principal Financial Officer and Principal Accounting Officer)</i>	, 2018
_____ Arthur W. Coviello, Jr.	Director	, 2018
_____ John C. Huffard Jr.	President, Chief Operating Officer, Co-Founder and Director	, 2018
_____ Ping Li	Director	, 2018
_____ A. Brooke Seawell	Director	, 2018
_____ Richard M. Wells	Director	, 2018

EXHIBIT A

ARTICLE I

The name of the company is Tenable Holdings, Inc. (the “**Company**”).

ARTICLE II

The address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, in the City of Wilmington, County of New Castle. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “**DGCL**”).

ARTICLE IV

A. The total number of shares of capital stock that the Company is authorized to issue is One Hundred Fifty One Million Eight Hundred and Forty Seven Thousand Five Hundred (151,847,500) shares, consisting of Ninety Four Million (94,000,000) shares of Common Stock, par value \$0.01 per share (the “**Common Stock**”), and Fifty Seven Million Eight Hundred Forty Seven Thousand Five Hundred (57,847,500) shares of Preferred Stock, par value \$0.01 per share (the “**Preferred Stock**”).

B. The Preferred Stock shall be divided into series. The first series shall consist of Fifteen Million Eight Hundred Forty Seven Thousand Five Hundred (15,847,500) shares and shall be designated “**Series A Preferred Stock.**” The second series shall consist of Forty Two Million (42,000,000) shares and shall be designated “**Series B Preferred Stock.**”

C. The designations, powers, preferences, and relative participating, optional and other special rights and the qualifications, limitations and restrictions of the Preferred Stock shall be as follows:

1. Dividends. In the event a dividend on the Common Stock is declared by the Board of Directors (the “**Board**”), each holder of the Preferred Stock shall be entitled to receive, at the same time the dividend is paid to the holders of the Common Stock, for each share of Preferred Stock, a dividend equal to the dividend such holder of Preferred Stock would receive if such share of Preferred Stock were converted to Common Stock at the then effective applicable Conversion Price (as defined below).

2. Liquidation Preference.

(a) In the event of a Liquidation Event (as defined in Article IV, Section C.2(c) hereof), whether voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the proceeds of such Liquidation Event to the holders of Series B Preferred Stock and Common Stock by reason of their ownership thereof, an amount equal to the Series A Original Issue Price, plus all declared but unpaid dividends on each such share of Series A Preferred Stock held by them. If, upon the occurrence of such Liquidation Event, the proceeds thus distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive. For purposes of this Amended and Restated Certificate of Incorporation (the “**Restated Certificate**”), the “**Series A Original Issue Price**” shall mean \$3.155066667 per share of Series A Preferred Stock, as adjusted for any stock dividends, stock splits, stock combinations, recapitalizations or similar events with respect to such shares.

(b) After payment to the holders of Series A Preferred Stock of the preferential amounts required by Article IV, Section C.2(a) hereof, the holders of Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the proceeds of such Liquidation Event to the holders of (i) Series A Preferred Stock pursuant to Article IV, Section C.2(c) hereof and (ii) Common Stock by reason of their ownership thereof, an amount equal to the Series B Original Issue Price, plus all declared but unpaid dividends on each such share of Series B Preferred Stock held by them. If, upon the occurrence of such Liquidation Event, the proceeds thus distributed among the holders of Series B Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of Series B Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive. For purposes of this Restated Certificate, the “**Series B Original Issue Price**” shall mean \$5.805673 per share of Series B Preferred Stock, as adjusted for any stock dividends, stock splits, stock combinations, recapitalizations or similar events with respect to such shares.

(c) After payment to the holders of Preferred Stock of the preferential amounts required by Article IV, Section C.2(a) and Section C.2(b) hereof, all remaining proceeds legally available for distribution to stockholders of the Company shall be distributed pro rata among the holders of Series A Preferred Stock and Common Stock based on the number of shares of Common Stock then held by them (assuming full conversion of all of the Series A Preferred Stock) until, with respect to the Series A Preferred Stock, the holders thereof have received the Participation Cap (as defined below), and thereafter all remaining proceeds legally available for distribution to stockholders of the Company shall be distributed pro rata among the holders of the Common Stock based on the number of shares of Common Stock then held by them. The “**Participation Cap**” shall mean an amount equal to three (3) times the Series A Original Issue Price, plus all declared but unpaid dividends, on each share of Series A Preferred Stock, and shall include any amounts paid pursuant to Section C.2(a) hereof. For the avoidance of doubt, the declared but unpaid dividends shall not be double-counted in the Participation Cap in the event they are already counted pursuant to Section C.2(a) hereof.

(d) For purposes of this Article IV, Section C.2, a “**Liquidation Event**” shall mean (i) a liquidation, dissolution or winding up of the Company, (ii) an acquisition of the Company by another person or entity by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, a merger, consolidation or other corporate reorganization), other than an acquisition in which the shares of capital stock held by stockholders of the Company immediately prior to such acquisition continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately after such acquisition and by virtue of the acquisition, a majority of the total outstanding voting power of the surviving or acquiring person or entity; (iii) a sale, lease, exclusive license (unless granted in the ordinary course of business) or other disposition of all or substantially all of the assets of the Company, except where such sale, lease, exclusive license or other disposition is to a wholly owned subsidiary of the Company; or (iv) a transaction or series of related transactions to which the Company is a party (whether by merger, consolidation, stock acquisition or otherwise) in which a majority of the total outstanding voting power of the Company is transferred. Notwithstanding the foregoing sentence, a transaction shall not constitute a Liquidation Event if the primary purpose is to change the jurisdiction of the Company’s incorporation or create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction. The treatment of any particular transaction or series of related transactions as a Liquidation Event may be waived by the affirmative vote or written consent of the holders of at least sixty percent (60%) of the then outstanding shares of Preferred Stock, voting as a single class.

(e) If the proceeds to be received by the Company or its stockholders are other than cash, the value of such proceeds shall be their fair market value as determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director; provided, however, that any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by subsection (ii) below:

(A) If traded on a national securities exchange or a national quotation system, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the ten (10) trading-day period ending three (3) trading days prior to the closing of such transaction;

(B) If actively traded over the counter, the value shall be deemed to be the average of the closing bid prices over the ten (10) trading-day period ending three (3) trading days prior to the closing of such transaction;

(C) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director; and

(D) For the purposes of this Article IV, Section C.2(d), “trading day” shall mean any day which the exchange or system on which the securities to be distributed are traded is open and “closing prices” or “closing bid prices” shall be deemed to be:

(1) for securities traded primarily on the New York Stock Exchange or the Nasdaq Stock Market, the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day, and (2) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the regular hours trading period that is generally accepted as such for such exchange, market or system. If, after the date hereof, the benchmark times generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in Article IV, Section C.2(d)(i) to reflect the approximate fair market value thereof, as determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director.

(iii) The foregoing methods for valuing non-cash proceeds to be distributed in connection with a Liquidation Event shall, with the appropriate approval of the definitive agreements governing such Liquidation Event by the Board (including at least one (1) Series A Director and one (1) Series B Director) and the holders of at least sixty percent (60%) of the then outstanding shares of Preferred Stock, voting as a single class, be superseded and governed by the determination of such value as set forth in the definitive agreements governing such Liquidation Event.

(f) Notwithstanding any provision in this Article IV, Section C.2 to the contrary, for purposes of determining the amount each holder of Series A Preferred Stock and Series B Preferred Stock is entitled to receive with respect to a Liquidation Event, each such holder of Series A Preferred Stock and Series B Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of Series A Preferred Stock or Series B Preferred Stock, as applicable, into shares of Common Stock immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such shares of Series A Preferred Stock or Series B Preferred Stock, as applicable, into shares of Common Stock. If any such holder shall be deemed to have converted shares of Series A Preferred Stock or Series B Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of the Series A Preferred Stock or Series B Preferred Stock, as applicable, that have not converted (or have not been deemed to have converted) into shares of Common Stock.

3. Preferred Stock Redemption.

(a) At any time after the fifth (5th) anniversary of the filing of this Restated Certificate, and at the election of the holders of at least sixty percent (60%) of the outstanding shares of the Series A Preferred Stock or Series B Preferred Stock, each voting as a separate class, the Company shall redeem, out of surplus, all of the shares of Series A Preferred Stock or Series B Preferred Stock, as applicable, then outstanding in three (3) annual installments (each a "**Preferred Series Redemption Date**", as applicable to the Series A Preferred Stock and/or Series B Preferred Stock), with the first such Preferred Series Redemption Date occurring within sixty (60) days of such election.

The Company shall redeem the shares of the applicable Preferred Stock by paying in cash an amount per share equal to the Series A Original Issue Price for such shares of Series A Preferred Stock or the Series B Original Issue Price for such shares of Series B Preferred Stock, as applicable, plus an amount equal to all declared and unpaid dividends thereon (the “**Preferred Series Redemption Price**”, as applicable to the Series A Preferred Stock and/or Series B Preferred Stock). The number of shares of Preferred Stock that the Company shall be required to redeem on any one Preferred Series Redemption Date shall be equal to the amount determined by dividing (i) the aggregate number of shares of Series A Preferred Stock or Series B Preferred Stock, as applicable, outstanding immediately prior to the Preferred Series Redemption Date by (ii) the number of remaining Preferred Series Redemption Dates (including the Preferred Series Redemption Date to which such calculation applies). Any redemption effected pursuant to this Article IV, Section C.3(a) shall be made on a pro rata basis among the holders of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, in proportion to the aggregate applicable Preferred Series Redemption Price that each such holder would otherwise be entitled to receive on the applicable Preferred Series Redemption Date.

(b) At least fifteen (15), but no more than thirty (30), days prior to each Preferred Series Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred Stock and/or Series B Preferred Stock, as applicable, to be redeemed, at the address last shown on the records of the Company for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Preferred Series Redemption Date, the Preferred Series Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Company, in the manner and at the place designated, the holder’s certificate or certificates representing the shares to be redeemed (the “**Preferred Series Redemption Notice**”, as applicable to the Series A Preferred Stock and/or Series B Preferred Stock). Except as provided herein, on or after the Preferred Series Redemption Date each holder of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, to be redeemed shall surrender to the Company the certificate or certificates representing such shares, in the manner and at the place designated in the Preferred Series Redemption Notice, and thereupon the Preferred Series Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) From and after the applicable Preferred Series Redemption Date, unless there shall have been a default in payment of the Preferred Series Redemption Price, all rights of the holders of shares of Preferred Series Preferred Stock designated for redemption in the Preferred Series Redemption Notice as holders of Series A Preferred Stock and/or Series B Preferred Stock, as applicable (except the right to receive the Preferred Series Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to the shares designated for redemption on such Preferred Series Redemption Date, and such shares shall not thereafter be transferred on the books of the Company or be deemed to be outstanding for any purpose whatsoever. If the funds of the Company legally available for redemption of shares of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, on any Preferred Series Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, to be redeemed on such Preferred Series Redemption Date, those funds which are legally available for redemption shall be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed in proportion to the aggregate Preferred Series Redemption Price that each such holder of Series A Preferred Stock and/or Series B Preferred Stock would otherwise be entitled to receive on such Preferred Series Redemption Date, as provided in Article IV, Section C.3(a) hereof.

The shares of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Company are legally available for the redemption of shares of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, such funds shall immediately be used to redeem the balance of the shares which the Company has become obligated to redeem on any Preferred Series Redemption Date, but which it has not redeemed.

(d) On or prior to each Preferred Series Redemption Date, the Company may deposit the Preferred Series Redemption Price of all shares of Series A Preferred Stock and/or Series B Preferred Stock, as applicable, designated for redemption in the Preferred Series Redemption Notice and not yet redeemed with a bank or trust corporation having aggregate capital and surplus in excess of \$1,000,000,000, as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Preferred Series Redemption Price for such shares to their respective holders on or after the Preferred Series Redemption Date upon receipt of notification from the Company that such holder has surrendered a share certificate to the Company pursuant to Article IV, Section C.3(b) hereof. As of the Preferred Series Redemption Date, the deposit shall constitute full payment of the shares to their holders, and from and after the Preferred Series Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust corporation payment of the Preferred Series Redemption Price of the shares, without interest, upon surrender of their certificates therefor. Such instructions shall also provide that any moneys deposited by the Company pursuant to this Article IV, Section C.3(d) for the redemption of shares thereafter converted into shares of Common Stock pursuant to Article IV, Section C.5 hereof prior to the Preferred Series Redemption Date shall be returned to the Company forthwith upon such conversion. The balance of any moneys deposited by the Company pursuant to this Article IV, Section C.3(d) remaining unclaimed at the expiration of two (2) years following the Preferred Series Redemption Date shall thereafter be returned to the Company upon its request expressed in a resolution of the Board.

4. Voting Rights.

(a) General Voting Rights. Each holder of shares of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted on the record date for the vote or consent of stockholders and, except as otherwise required by law or this Restated Certificate, shall have voting rights and powers equal to the voting rights and powers of the Common Stock.

Each holder of shares of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Company and shall vote with holders of the Common Stock upon the election of directors and upon any other matter submitted to a vote of stockholders, except as to those matters required by law or this Restated Certificate to be submitted to a class vote. Fractional votes by the holders of Preferred Stock shall not, however, be permitted, and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be disregarded.

(b) Voting for Directors. The number of directors of the Company shall be such number as from time to time shall be fixed by, or in the manner provided in, the Bylaws of the Company; provided, however, that the authorized number of members of the Board as of the filing of this Restated Certificate shall be six (6).

(i) As long as at least fifty percent (50%) of the shares of Series A Preferred Stock originally issued remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the holders of a majority of the outstanding shares of Series A Preferred Stock, voting as a separate class, shall be entitled to elect two (2) directors (the "**Series A Directors**"). As long as at least fifty percent (50%) of the shares of Series B Preferred Stock originally issued remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the holders of a majority of the outstanding shares of Series B Preferred Stock, voting as a separate class, shall be entitled to elect two (2) directors (the "**Series B Directors**"). The holders of a majority of the outstanding shares of Common Stock, voting as a separate class, shall be entitled to elect all remaining members of the Board, including any members that would have been elected by the Series A Preferred Stock or Series B Preferred Stock but for the foregoing conditions in this clause (i) no longer being true (the "**Common Directors**"). At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

(ii) The Series A Directors may be removed from the Board, either with or without cause, only by the affirmative vote or written consent of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting as a separate class. The Series B Directors may be removed from the Board, either with or without cause, only by the affirmative vote or written consent of the holders of a majority of the outstanding shares of Series B Preferred Stock, voting as a separate class. The Common Directors may be removed from the Board, either with or without cause, only by the affirmative vote or written consent of the holders of a majority of the outstanding shares of Common Stock, voting as a separate class.

(iii) In the event of a vacancy in any directorship with respect to which the holders of a class or series are entitled to elect the director pursuant to subsection (i) above, such vacancy shall be filled only by the affirmative vote or written consent of the holders of a majority of the outstanding shares of such class or series or by any remaining director or directors elected by the holders of such class or series. If the holders of shares of a class or series entitled to elect directors pursuant to subsection (i) above fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, then any directorship not so filled shall remain vacant until such time as the holders of such class or series elect a person or persons to fill such directorships in the manner provided in this Article IV, Section C.4(b).

5. Conversion. The holders of Preferred Stock shall have conversion rights as follows (the “**Conversion Rights**”):

(a) Right To Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Company or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing, (i) with respect to the Series A Preferred Stock, the Series A Rollover Issue Price by the conversion price for the Series A Preferred Stock (the “**Series A Conversion Price**”) in effect on the date the certificate is surrendered for conversion, and (ii) with respect to the Series B Preferred Stock, the Series B Original Issue Price by the conversion price for the Series B Preferred Stock (the “**Series B Conversion Price**”, and together with the Series A Conversion Price, the “**Conversion Price**”) in effect on the date the certificate is surrendered for conversion. The Series A Conversion Price shall initially be \$5.81734654 and shall be subject to adjustment as set forth in this Article IV, Section C.5. The Series B Conversion Price shall initially be \$5.81734654 and shall be subject to adjustment as set forth in this Article IV, Section C.5. For purposes of this Restated Certificate, the “**Series A Rollover Issue Price**” shall mean \$5.81734654 per share of Series A Preferred Stock, as adjusted for any stock dividends, stock splits, stock combinations, recapitalizations or similar events with respect to such shares.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Series A Conversion Price or Series B Conversion Price, as applicable, for such share upon the earlier of (i) with respect to the Series A Preferred Stock, the date specified by the vote or written consent of holders of at least sixty percent (60%) of the shares of Series A Preferred Stock then outstanding, (ii) with respect to the Series B Preferred Stock, the date specified by the vote or written consent of holders of at least sixty percent (60%) of the shares of Series B Preferred Stock then outstanding, or (iii) the closing of the sale of the Company’s Common Stock to the public at a price equal to no less than three (3) times the Series B Original Issue Price, in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the “**Securities Act**”), other than a registration relating solely to a transaction under Rule 145 under the Securities Act (or any successor thereto) or to an employee benefit plan of the Company, that results in gross offering proceeds (before deduction of underwriters’ discounts and expenses) to the Company of not less than \$75,000,000 (a “**Qualified Public Offering**”).

(c) Mechanics of Conversion.

(i) Except as provided in Article IV, Section C.5(ii) or C.5(iii) hereof, before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for such stock, and shall give written notice to the Company at such office of such holder’s election to convert the same and shall state therein the number of shares to be converted and the name or names in which the certificate or certificates for shares of Common Stock are to be issued.

The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(ii) If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act, the conversion may, at the option of any holder tendering shares of Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(iii) If the conversion is in connection with the automatic conversion provisions set forth in Article IV, Section C.5(b)(i) hereof, such conversion shall be deemed to have been made immediately prior to the close of business on the conversion date specified in the stockholder vote or consent (automatically without any further action by the holder of such shares and whether or not the certificate representing such shares has been surrendered to the Company or its transfer agent), and the persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock on such date; provided, however, that until certificates for the shares of Preferred Stock that have been converted have been delivered to the Company or its transfer agent, the Company shall not be obligated to issue certificates representing the shares of Common Stock issuable upon such conversion.

(d) Adjustment of Conversion Price Upon Certain Diluting Issuances.

(i) Special Definitions. For purposes of this Article IV, Section C.5(d), the following definitions apply:

(A) “**Options**” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities (defined below).

(B) “**Original Issue Date**” shall mean the date on which a share of Series A Preferred Stock or Series B Preferred Stock, as applicable, is first issued.

(C) “**Convertible Securities**” shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock.

(D) “**Additional Shares of Common Stock**” shall mean all shares of Common Stock issued (or, pursuant to Article IV, Section C.5(d)(ii) hereof, deemed to be issued) by the Company on or after the Original Issue Date, other than shares of Common Stock issued or deemed to be issued:

(1) upon conversion of shares of Preferred Stock;

(2) to employees, directors and officers of, or consultants or advisors to, the Company pursuant to stock grants, stock option, stock bonus, stock purchase or other employee incentive programs, plans or agreements approved by the Board, including at least one (1) Series A Director and one (1) Series B Director;

(3) as a dividend or distribution on Preferred Stock;

(4) upon the conversion or exercise of Convertible Securities outstanding on the date of the filing of this Restated Certificate;

(5) as consideration for (and not for the purpose of capital raising to finance the transaction) bona fide acquisitions of other businesses or technologies by the Company by merger, consolidation, acquisition of stock or assets or otherwise approved by the Board, including at least one (1) Series A Director and one (1) Series B Director;

(6) to banks, lessors or other financial institutions in connection with commercial lending or leasing transactions, provided that such transactions are entered into for primarily non-equity financing purposes, approved by the Board, including at least one (1) Series A Director and one (1) Series B Director;

(7) in connection with research, collaboration, manufacturing, supply, licensing, development, OEM, distribution, marketing or other similar strategic transactions or joint ventures, provided that such transactions are entered into for primarily non-equity financing purposes and are approved by the Board, including at least one (1) Series A Director and one (1) Series B Director;

(8) in connection with an underwritten public offering registered under the Securities Act pursuant to which all outstanding shares of Preferred Stock are automatically converted into Common Stock pursuant to Article IV, Section C.5(b) hereof;

(9) in connection with an event for which adjustment of the Series A Conversion Price or Series B Conversion Price is made pursuant to Article IV, Sections C.5(f) or (g) hereof; or

(10) in a transaction that the holders of at least sixty percent (60%) of the then outstanding shares of Preferred Stock, voting as a separate class, elect in writing to exclude from the definition of Additional Shares of Common Stock, which election may be applied prospectively or retroactively and either generally or in a particular instance.

(ii) Deemed Issue of Additional Shares of Common Stock. In the event the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities and exercise of such Options, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustments in either Conversion Price shall be made upon the subsequent issue of Convertible Securities upon the exercise of such Options or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion and/or exchange thereof, each Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, each Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(1) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and

(2) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company (determined pursuant to Article IV, Section C.5(d)(iv) hereof) upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(D) no readjustment pursuant to clause (B) or (C) above shall have the effect of increasing either Conversion Price to an amount which exceeds the lower of (a) such Conversion Price on the original adjustment date, or (b) such Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date; and

(E) in the case of any Options which expire by their terms not more than thirty (30) days after the date of issue thereof, no adjustment of either Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause I above.

(iii) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Company, at any time after an Original Issue Date, shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Article IV, Section C.5(d)(ii) hereof) without consideration or for a consideration per share less than the Series A Conversion Price or the Series B Conversion Price, in each case, in effect immediately prior to such issue, then and in such event, the applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest tenth of a cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect immediately prior to such issue, and the denominator of which shall be the number of shares of Common Stock Outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, "**Common Stock Outstanding**" shall mean the number of shares of Common Stock outstanding immediately prior to such issue, calculated on a fully diluted basis as if all Convertible Securities had been fully converted into shares of Common Stock immediately prior to such issue and any outstanding Options (whether or not then vested or exercisable) had been fully exercised immediately prior to such issue (and the resulting securities fully converted into shares of Common Stock, if so convertible) as of such date, but not including in such calculation any additional shares of Common Stock issuable with respect to Convertible Securities or Options solely as a result of the adjustment of such Conversion Price (or other conversion ratios) resulting from the issuance of Additional Shares of Common Stock causing such adjustment.

(iv) Multiple Closing Dates. In the event that the Company shall issue, after the Original Issue Date, on more than one date, Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Article IV, Section C.5(d)(ii)) that would result in an adjustment to the Series A Conversion Price or Series B Conversion Price pursuant to the terms of this Article IV, Section C.5(d)(iii), in each case, as part of the same transaction or a series of related transactions, then, upon the final such issuance, the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they had all occurred on the date of the first such issuance (and without giving any effect to any interim adjustments from such issuances that were part of the same transaction or series of related transactions).

(v) Determination of Consideration. For purposes of this Article IV, Section C.5(d), the consideration received by the Company for the issue (or deemed issue) of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends and before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with such issuance;

(2) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director; and

(3) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (1) and (2) above, as reasonably determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director.

(B) Options and Convertible Securities. The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to Article IV, Section C.5(d)(ii) hereof, relating to Options and Convertible Securities, shall be determined by dividing:

(1) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(2) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options and/or conversion or exchange of such Convertible Securities.

(e) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Company at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock as provided below), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then each Conversion Price in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

In the event that the Company shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Company shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(f) Adjustments to Conversion Price for Recapitalizations and Reorganizations. If the Common Stock issuable upon conversion of the Series A Preferred Stock or Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Article IV, Section C.5 above or a Liquidation Event referred to in Article IV, Section C.2 above), the applicable Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or recapitalization, be adjusted, and other provision shall be made, so that the applicable Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders thereof would otherwise have been entitled to receive, such number of shares of stock or other securities, cash or property that would have been subject to receipt by such holders upon conversion of such Preferred Stock immediately before such change. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article IV, Section C.5(f) with respect to the rights of the holders of such Preferred Stock after such reorganization or recapitalization such that the provisions of this Article IV, Section C.5(f) (including adjustment of either Conversion Price then in effect and the number of shares issuable upon conversion of such Preferred Stock) shall be applicable after such event as nearly equivalent as may be practicable.

(g) Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Article IV, Section C.5(f) hereof, then, in each such case for the purpose of this Article IV, Section C.5(g), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Company into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Company entitled to receive such distribution.

(h) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of either Conversion Price pursuant to this Article IV, Section C.5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate executed by the Company's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based.

The Company shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the applicable Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of such Preferred Stock.

(i) Notices of Record Date. In the event that the Company shall propose at any time (i) to take a record of the holders of its Common Stock for the purpose of declaring any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus, or offering for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (ii) to effect any reorganization or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iii) to effect any Liquidation Event; then, in connection with each such event, the Company shall send to the holders of Preferred Stock;

(A) at least ten (10) days' prior written notice of (1) the date on which a record shall be taken for such dividend, distribution or subscription rights referred to in clause (i) above (and specifying the date on which the holders of Common Stock shall be entitled thereto) or (2) the date for determining rights to vote, if any, in respect of the events referred to in clauses (ii) and (iii) above; and

(B) in the case of the events referred to in clauses (ii) and (iii) above, at least ten (10) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for stock, securities, cash or other property deliverable upon the occurrence of such event).

The notice provisions set forth in this Section C.5(i) may be shortened or waived prospectively or retrospectively by the consent or vote of the holders of sixty percent (60%) of the outstanding shares of Preferred Stock, voting as a separate class.

(j) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, the Company shall take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate.

(k) Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. Any such fractional share so resulting shall be paid in cash based on the then fair market value of a share of Common Stock as determined in good faith by the Board, including at least one (1) Series A Director and one (1) Series B Director.

6. Preferred Stock Protective Provisions. So long as at least fifty percent (50%) of the shares of Series A Preferred Stock or Series B Preferred Stock originally issued remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Company shall not (by way of amendment, merger, consolidation, reclassification or otherwise), without the vote or written consent by the holders of at least sixty percent (60%) of the outstanding shares of Preferred Stock, voting as a single class:

(a) Increase or decrease the authorized number of directors constituting the Company's Board of Directors;

(b) Make or adopt any material change in the Company's line of business;

(c) Increase or decrease (other than by redemption or conversion) the authorized number of shares of Common Stock or Preferred Stock;

(d) (i) Create, or authorize the creation of, or issue, or authorize the issuance of or guarantee any debt security, or permit any subsidiary to take any such action with respect to any debt security, or (ii) incur or agree to incur or enter into any agreement permitting the Company or its subsidiaries to incur or guarantee, indebtedness for borrowed money, or (iii) amend, modify, waive or otherwise alter the terms of any agreement governing the terms of any material indebtedness of the Company or any subsidiary;

(e) Redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to (i) the repurchase of shares of Common Stock (A) from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary (other than Ronald J. Gula, John C. Huffard, Jr. and Renaud M. Deraison) pursuant to agreements under which the Company has the right to repurchase such shares at cost or the then fair market value of such shares upon the occurrence of certain events, such as the termination of employment or other service, or (B) pursuant to the exercise by the Company (whether contractually or pursuant to its Bylaws) of any rights of first refusal with respect to such shares (the exercise of which is approved by the Board, including at least one (1) Series A Director and one (1) Series B Director, and excluding, if applicable, the vote of the director whose shares are to be repurchased); provided that repurchases of stock from any Ronald J. Gula, John C. Huffard, Jr. and Renaud M. Deraison shall require the unanimous approval of the Board excluding, if applicable, the vote of the director whose shares are to be repurchased; or (ii) the redemption of shares of Preferred Stock in accordance with Section C.3 or Section C.4 hereof;

(f) Declare, pay or set aside a dividend on any Common Stock or Preferred Stock;

(g) Approve or enter into any transaction or become a party to any agreement for the (i) acquisition by the Company of another entity with an acquisition price greater than \$5,000,000 or (ii) transfer or loan of a material portion of assets of the Company and its subsidiaries to any third party;

(h) Amend this Restated Certificate or the Bylaws of the Company so as to alter or change adversely the preferences, rights, privileges or powers of, or increase the restrictions upon, the Preferred Stock; or

(i) Effect or consummate, or execute any definitive agreement related to or in connection with, any Liquidation Event.

7. Series A Protective Provisions. So long as at least fifty percent (50%) of the shares of Series A Preferred Stock originally issued remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Company shall not (by way of amendment, merger, consolidation, reclassification or otherwise), without the vote or written consent by the holders of at least sixty percent (60%) of the outstanding shares of Series A Preferred Stock, voting as a separate class:

(a) Authorize or issue, or obligate itself to issue, any other equity security (or any security convertible into or exercisable for any such equity security) having a preference over, or being on a parity with, the Series A Preferred Stock with respect to voting rights, dividend rights, redemption rights or liquidation preferences, other than shares of Series A Preferred Stock authorized under this Restated Certificate;

(b) Amend this Restated Certificate or the Company's Bylaws so as to alter or change adversely the preferences, rights, privileges or powers of, or increase the restrictions upon, the Series A Preferred Stock; or

(c) Increase or decrease (other than by redemption or conversion) the authorized number of shares of Common Stock or Series A Preferred Stock.

8. Series B Protective Provisions. So long as at least fifty percent (50%) of the shares of Series B Preferred Stock originally issued remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations and the like), the Company shall not (by way of amendment, merger, consolidation, reclassification or otherwise), without the vote or written consent by the holders of at least sixty percent (60%) of the outstanding shares of Series B Preferred Stock, voting as a separate class:

(a) Authorize or issue, or obligate itself to issue, any other equity security (or any security convertible into or exercisable for any such equity security) having a preference over, or being on a parity with, the Series B Preferred Stock with respect to voting rights, dividend rights, redemption rights or liquidation preferences, other than shares of Series B Preferred Stock authorized under this Restated Certificate;

(b) Amend this Restated Certificate or the Company's Bylaws so as to alter or change adversely the preferences, rights, privileges or powers of, or increase the restrictions upon, the Series B Preferred Stock; or

(c) Increase or decrease (other than by redemption or conversion) the authorized number of shares of Common Stock or Series B Preferred Stock.

9. Status of Redeemed or Converted Stock. In the event any shares of Preferred Stock shall be redeemed or converted pursuant to Article IV, Section C.3, C.4 or Section C.5 hereof, the shares so redeemed or converted shall be cancelled and shall not be issuable by the Company. This Restated Certificate shall be appropriately amended to effect the corresponding reduction in the Company's authorized capital stock.

10. Notices. Any notice required by the provisions of this Article IV, Section C to be given to the holders of shares of Preferred Stock shall be deemed given if such notice (i) is deposited in the United States first class mail, postage prepaid, and addressed to each holder of record at his or her address appearing on the books of the Company, (ii) is provided by electronic transmission in a manner permitted by Section 232 of the DGCL, or (iii) is provided in another manner then permitted by the DGCL.

D. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Section D.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of Common Stock shall be entitled to receive, when, as and if declared by the Board, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Board.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of the Company, or other Liquidation Event, the assets of the Company shall be distributed as provided in Article IV, Section C.2 hereof.

3. Redemption. The Common Stock is not redeemable at the option of the holders thereof.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote for each such share, shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Company, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

5. Status of Repurchased Common Stock. In the event any shares of Common Stock shall be repurchased by the Company from the holders thereof, the shares so repurchased shall be retired and shall not be issuable by the Company. Promptly after any such repurchase and retirement of any shares of Common Stock, the Company shall file a certificate pursuant to Section 243(b) of the DGCL stating that reissuance of the shares is prohibited, identifying the shares and reciting their retirement. Such certificate shall have the effect of amending this Restated Certificate so as to reduce accordingly the number of authorized shares of Common Stock.

ARTICLE V

In connection with repurchases by the Company of shares of Common Stock (i) from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the right to repurchase such shares at cost (or at the lesser of cost or the then fair market value) upon the occurrence of certain events, such as the termination of employment or other service, or (ii) pursuant to the exercise by the Company (whether contractually or pursuant to its Bylaws) of any rights of first refusal with respect to such shares (the exercise of which is approved by the Board, including at least one (1) Series A Director and one (1) Series B Director), Sections 502 and 503 of the California Corporations Code shall not apply with respect to such repurchases and the holders of Preferred Stock expressly waive any of their rights with respect thereto.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board shall have the power, subject to the provisions of Article IV, Section C.6 and Section C.7, to adopt, amend, repeal or otherwise alter the Bylaws of the Company without any action on the part of the stockholders; provided, however, that the grant of such power to the Board shall not divest the stockholders of nor limit their power, subject to the provisions of Article IV, Section C.6 and Section C.7, to adopt, amend, repeal or otherwise alter the Bylaws.

ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of the Company shall so provide.

ARTICLE VIII

Subject to the provisions of this Restated Certificate, including Article IV, Section C.6 and Section C.7, the Company reserves the right to adopt, repeal, rescind or amend in any respect any provisions contained in this Restated Certificate in the manner now or hereafter prescribed by applicable law, and all rights conferred on stockholders herein are granted subject to this reservation.

ARTICLE IX

A. To the fullest extent permitted by the DGCL, as it presently exists or as it may hereafter be amended, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to eliminate or limit further, or to authorize corporate action eliminating or limiting further the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

B. To the fullest extent permitted by the DGCL, as it presently exists or as it may hereafter be amended, the Company shall have the power to indemnify (and to advance expenses to) any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a **“Proceeding”**) by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

C. Any amendment, repeal or modification of the foregoing provisions of this Article IX, or the adoption of any provision in this Restated Certificate inconsistent with this Article IX, shall be prospective only and shall not adversely affect any right or protection of any director of the Company existing at the time of, or increase the liability of any director of the Company with respect to any acts or omissions of such director occurring prior to, such amendment, repeal, modification or adoption.

D. To the maximum extent permitted from time to time under the law of the State of Delaware, the Company, on behalf of itself and its affiliates, renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “Excluded Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Company who is not an employee of the Company or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, officer, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Company or any of its subsidiaries (collectively, the persons delineated in (i) and (ii) are “Covered Persons”), unless such matter, transaction or interest is presented to or acquired by a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Company, while such Covered Person is performing services in such capacity. Any repeal or modification of this ARTICLE IX, Section D shall only be prospective and shall not affect the rights under this ARTICLE IX, Section D in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Restated Certificate (but without limiting the immediately preceding sentence), the affirmative vote of the holders of at least sixty percent (60%) of the then outstanding shares of each series of Preferred Stock, voting as a single class, shall be required to amend or repeal, or to adopt any provision inconsistent with, this ARTICLE IX, Section D.

* * *

CERTIFICATE OF CORRECTION

OF

TENABLE HOLDINGS, INC.

Pursuant to Section 103 of the
General Corporation Law of the State of Delaware

December 22 , 2015

Tenable Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Tenable Holdings, Inc.

2. That an Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate") was filed with the Secretary of State of Delaware on December 17, 2015, and that said Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracy or defect of said Certificate is that the Series B Original Issue Price stated in Article IV, Section 2(b) of the Certificate was inadvertently set at \$5.805673 per share rather than at \$5.81734654 per share.

4. Article IV, Section 2(b) of the Certificate is corrected to read as follows:

(b) After payment to the holders of Series A Preferred Stock of the preferential amounts required by Article IV, Section C.2(a) hereof, the holders of Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the proceeds of such Liquidation Event to the holders of (i) Series A Preferred Stock pursuant to Article IV, Section C.2(c) hereof and (ii) Common Stock by reason of their ownership thereof, an amount equal to the Series B Original Issue Price, plus all declared but unpaid dividends on each such share of Series B Preferred Stock held by them. If, upon the occurrence of such Liquidation Event, the proceeds thus distributed among the holders of Series B Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of Series B Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive. For purposes of this Restated Certificate, the "**Series B Original Issue Price**" shall mean \$5.81734654 per share of Series B Preferred Stock, as adjusted for any stock dividends, stock splits, stock combinations, recapitalizations or similar events with respect to such shares.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Tenable Holdings, Inc. has caused this Certificate of Correction to be duly executed by its duly authorized officer as of the date first above written.

TENABLE HOLDINGS, INC.

By: /s/ Ronald J. Gula

Name: Ronald J. Gula

Title: Chief Executive Officer

CERTIFICATE OF RETIREMENT AND PROHIBITION OF

REISSUANCE OF SHARES

OF

TENABLE HOLDINGS, INC.

Pursuant to Section 243 of the General Corporation Law of the State of Delaware, it is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is Tenable Holdings, Inc.
2. The Corporation has retired 109,620 shares of its Common Stock, par value \$.01 per share (the "Retired Shares"), thereby reducing the total number of authorized shares.
3. The Certificate of Incorporation of the Corporation prohibits the reissuance of the Retired Shares.

Signed on March 9, 2017

TENABLE HOLDINGS, INC.

By: /s/ Stephen Riddick
Stephen Riddick, General Counsel

CERTIFICATE OF RETIREMENT AND PROHIBITION OF

REISSUANCE OF SHARES

OF

TENABLE HOLDINGS, INC.

Pursuant to Section 243 of the General Corporation Law of the State of Delaware, it is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is Tenable Holdings, Inc.
2. The Corporation has retired 35,500 shares of its Common Stock, par value \$0.01 per share (the "Retired Shares"), thereby reducing the total number of authorized shares.
3. The Certificate of Incorporation of the Corporation prohibits the reissuance of the Retired Shares.

Signed on May 31, 2017

TENABLE HOLDINGS, INC.

By: /s/ Stephen Vintz
Stephen Vintz, Chief Financial Officer

BYLAWS
OF
TENABLE HOLDINGS, INC.

ARTICLE I.
OFFICES.

The registered office of Tenable Holdings, Inc., a Delaware corporation (the “Corporation”), shall be located in the State of Delaware and shall be at such address as shall be set forth in the Certificate of Incorporation (as the same may be amended from time to time, the “Certificate of Incorporation”). The registered agent of the Corporation at such address shall be as set forth in the Certificate of Incorporation. The Corporation may also have such other offices at such other places, within or without the State of Delaware, as the Board of Directors of the Corporation (the “Board of Directors”) may from time to time designate or the business of the Corporation may require.

ARTICLE II.
STOCKHOLDERS.

Section 1. Annual Meeting. The annual meeting of stockholders for the election of directors and the transaction of any other business shall be held on such date and at such time and in such place, either within or without the State of Delaware, as may be designated by the Board of Directors, and set forth in the notice of such meeting. At the annual meeting, subject to the Voting Agreement (as defined below), any business may be transacted and any corporate action may be taken, whether stated in the notice of meeting or not, except as otherwise expressly provided by statute or the Certificate of Incorporation.

Section 2. Special Meetings. Special meetings of the stockholders for any purpose may be called at any time by the Board of Directors or the President, and shall be called by the President at the request of the holders of a majority of the outstanding shares of capital stock entitled to vote. Special meetings shall be held at such place or places within or without the State of Delaware as shall from time to time be designated by the Board of Directors and stated in the notice of such meeting. At a special meeting no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

Section 3. Notice of Meetings. Written notice of the time and place of any stockholders’ meeting, whether annual or special, shall be given to each stockholder entitled to vote thereat, by personal delivery, by electronic transmission in accordance with Section 232 of the Delaware General Corporation Law (the “DGCL”) or by mailing the same to him at his address as the same appears upon the records of the Corporation at least ten (10) days but not more than sixty (60) days before the day of the meeting. Notice of any adjourned meeting need not be given except by announcement at the meeting so adjourned, unless otherwise ordered in connection with such adjournment. Such further notice, if any, shall be given as may be required by law.

Section 4. Quorum. Any number of stockholders, together holding at least a majority of the capital stock of the Corporation issued and outstanding and entitled to vote, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of all business, except as otherwise provided by law, the Certificate of Incorporation, these Bylaws or the Voting Agreement, dated as of December 18, 2015, by and among the Corporation, Insight Venture Partners IX, L.P., Accel Growth Fund III L.P., John C. Huffard, Jr., Accel Growth Fund II L.P., and the other stockholders of the Corporation party thereto (as the same may be amended or modified, the "Voting Agreement").

Section 5. Adjournment of Meetings. If less than a quorum shall attend at the time for which a meeting shall have been called, the meeting may adjourn from time to time, by a majority vote of the stockholders present or represented by proxy and entitled to vote, without notice other than by announcement at the meeting until a quorum shall attend. Any meeting at which a quorum is present may also be adjourned in like manner and for such time or upon such call as may be determined by a majority vote of the stockholders present or represented by proxy and entitled to vote. At any adjourned meeting at which a quorum shall be present, any business may be transacted and any corporate action may be taken which might have been transacted at the meeting as originally called.

Section 6. Voting List. The Secretary shall prepare and make, at least ten (10) days before every election of directors, a complete list of the stockholders entitled to vote, arranged in alphabetical order and showing the address of each stockholder and the number of shares of each stockholder. Such list shall be open at the place where the election is to be held for said ten (10) days, for the examination by any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 7. Voting. Each stockholder entitled to vote at any meeting may vote either in person or by proxy, but no proxy shall be voted on or after three (3) years from its date, unless said proxy provides for a longer period. Except as otherwise provided by the Certificate of Incorporation and subject to the Voting Agreement, each stockholder entitled to vote shall at every meeting of the stockholders be entitled to one (1) vote for each share of stock registered in his name on the record of stockholders. Except as may be provided by law, the Certificate of Incorporation, these Bylaws, the Voting Agreement or any stock exchange or regulatory body applicable to the Corporation, each matter brought before any meeting of stockholders shall be decided by the affirmative vote of the holders of a majority of the votes of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the matter. Voting at meetings of stockholders need not be by written ballot.

Section 8. Record Date of Stockholders. The Board of Directors is authorized to fix in advance a date not exceeding sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purposes, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and, in such case, such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation, after such record date fixed as aforesaid.

Section 9. Action Without Meeting. Any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. An electronic transmission by a shareholder consenting to an action to be taken is considered to be written, signed, and dated for the purposes of this section if the transmission sets forth or is delivered with information from which the Corporation can determine that the transmission was transmitted by the shareholder and the date on which the shareholder transmitted the transmission. The date of transmission is the date on which the consent was signed. Consent given by electronic transmission may not be considered delivered until the consent is reproduced in paper form and the paper form is delivered to the Corporation at its registered office in this state or its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of shareholder meetings are recorded. Notwithstanding the foregoing limitations on delivery, consent given by electronic transmission may be delivered to the principal place of business of the Corporation or to an officer or agent of the Corporation having custody of the book in which proceedings of shareholder meetings are recorded to the extent and in the manner provided by resolution of the Board of Directors of the Corporation. Any photographic, photostatic, facsimile, or similarly reliable reproduction of a consent in writing signed by a shareholder may be substituted or used instead of the original writing for any purpose for which the original writing could be used, if the reproduction is a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 10. Conduct of Meetings. The Chairman of the Board of Directors, or if there be none or if the Chairman is absent, the President shall preside at all regular or special meetings of stockholders. To the maximum extent permitted by law, such presiding person shall have the power to set procedural rules, including but not limited to rules respecting the time allotted to stockholders to speak, governing all aspects of the conduct of such meetings.

ARTICLE III. DIRECTORS.

Section 1. Number and Qualifications. The Board of Directors shall consist initially of such number of directors as is set forth in the Statement of the Sole Incorporator, and thereafter shall consist of such number as may be fixed from time to time by resolution of the Board of Directors, subject to the terms and provisions of the Voting Agreement. The directors need not be stockholders.

Section 2. Election of Directors. Subject to the terms and provisions of the Voting Agreement, the directors shall be elected by the stockholders at the annual meeting of stockholders.

Section 3. Duration of Office. Subject to the terms and provisions of the Voting Agreement, the directors chosen at any annual meeting shall, except as hereinafter provided, hold office until the next annual election and until their successors are elected and qualify.

Section 4. Removal and Resignation of Directors. Except as set forth in the Certificate of Incorporation or the Voting Agreement, any director may be removed from the Board of Directors, with or without cause, by the holders of a majority of the shares of capital stock entitled to vote, either by written consent or consents or at any special meeting of the stockholders called for that purpose, and the office of such director shall forthwith become vacant.

Any director may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President, any Vice President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless so specified therein.

Section 5. Filling of Vacancies. Except as otherwise set forth in the Certificate of Incorporation or the Voting Agreement, any vacancy among the directors, occurring from any cause whatsoever, may be filled by a majority of the remaining directors, though less than a quorum; provided, however, that the stockholders removing any director may at the same meeting fill the vacancy caused by such removal; and provided, further, that if the directors fail to fill any such vacancy, the stockholders may at any special meeting called for that purpose fill such vacancy. Subject to the terms and provisions of the Voting Agreement, in case of any increase in the number of directors, the additional directors may be elected by the directors in office before such increase. Any person elected to fill a vacancy shall hold office, subject to the right of removal as hereinbefore provided, until the next annual election and until his successor is elected and qualifies.

Section 6. Regular Meetings. The Board of Directors shall hold an annual meeting for the purpose of organization and the transaction of any business immediately after the annual meeting of the stockholders, provided a quorum of directors is present. Other regular meetings may be held at such times as may be determined from time to time by resolution of the Board of Directors.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, if any, or by a majority of directors.

Section 8. Notice and Place of Meetings. Meetings of the Board of Directors may be held at the principal office of the Corporation, or at such other place as shall be stated in the notice of such meeting. Notice of any special meeting and, except as the Board of Directors may otherwise determine by resolution, notice of any regular meeting also, shall be mailed to each director addressed to him at his residence or usual place of business at least two (2) days before the day on which the meeting is to be held, or if sent to him at such place by facsimile, telegraph, cable or other means of electronic transmission, or delivered personally or by telephone, not later than the day before the day on which the meeting is to be held.

No notice of the annual meeting of the Board of Directors shall be required if it is held immediately after the annual meeting of the stockholders and if a quorum is present.

Section 9. Business Transacted at Meetings, etc. Any business may be transacted and any corporate action may be taken, subject to the terms and provisions of the Voting Agreement, at any regular or special meeting of the Board of Directors at which a quorum shall be present, whether such business or proposed action be stated in the notice of such meeting or not, unless special notice of such business or proposed action shall be required by statute.

Section 10. Quorum. A majority of the Board of Directors at any time in office shall constitute a quorum. At any meeting at which a quorum is present, the vote of a majority of the members present shall be the act of the Board of Directors unless the act of a greater number is specifically required by law, the Certificate of Incorporation, the Voting Agreement or these Bylaws. The members of the Board of Directors shall act only as the Board of Directors and the individual members thereof shall not have any powers as such.

Section 11. Compensation. Members of the Board of Directors shall not receive any stated salary for their services as directors, but, subject to the terms and provisions of the Voting Agreement, by resolution of the Board of Directors a fixed fee and expenses of attendance may be allowed for attendance at each meeting. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity, as an officer, agent or otherwise, and receiving compensation therefor.

Section 12. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 13. Meetings Through Use of Communications Equipment. Members of the Board of Directors, or any committee designated by the Board of Directors, shall, except as otherwise provided by law, the Certificate of Incorporation, the Voting Agreement, these Bylaws, have the power to participate in a meeting of the Board of Directors, or any committee, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

ARTICLE IV. COMMITTEES.

Section 1. Committees. From time to time the Board of Directors by a resolution adopted by a majority of the entire Board may appoint any committee or committees for any purpose or purposes, to the extent lawful, which shall have powers and perform such duties as shall be determined and specified by the Board of Directors in the resolution of appointment. Subject to the Certificate of Incorporation and the Voting Agreement, any member of such a committee may be removed at any time, with or without cause, by the Board of Directors.

Any vacancy in a committee occurring from any cause whatsoever may be filled by the Board of Directors.

Section 2. Resignation. Any member of a committee may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President, any Vice President or Secretary. The acceptance of a resignation shall not be necessary to make it effective unless so specified therein.

Section 3. Quorum. A majority of the members of a committee shall constitute a quorum. The act of a majority of the members of a committee present at any meeting at which a quorum is present shall be the act of such committee. The members of a committee shall act only as a committee, and the individual members thereof shall not have any powers as such.

Section 4. Record of Proceedings, etc. Each committee shall keep a record of its acts and proceedings, and shall report the same to the Board of Directors when and as required by the Board of Directors.

Section 5. Organization, Meetings, Notices, etc. A committee may hold its meetings at the principal office of the Corporation, or at any other place which a majority of the committee may at any time agree upon. Each committee may make such rules as it may deem expedient for the regulation and carrying on of its meetings and proceedings. Unless otherwise ordered by the Executive Committee, any notice of a meeting of such committee may be given by the Secretary of the Corporation or by the chairman of the committee and shall be sufficiently given if mailed to each member at his residence or usual place of business at least two (2) days before the day on which the meeting is to be held, or if sent to him at such place by facsimile, telegraph, cable or other means of electronic transmission, or delivered personally or by telephone, not later than twenty-four (24) hours before the time at which the meeting is to be held.

Section 6. Compensation. The members of any committee shall be entitled to such compensation as may be allowed them by resolution of the Board of Directors.

ARTICLE V. OFFICERS.

Section 1. Number. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may be appointed in accordance with the provisions of this Article V. The Board of Directors in its discretion may also elect a Chairman of the Board of Directors.

Section 2. Election, Term of Office and Qualifications. The officers, except as provided in Section 3 of this Article V, shall be chosen annually by the Board of Directors. Each such officer shall, except as herein otherwise provided, hold office until his successor shall have been chosen and shall qualify. The Chairman of the Board of Directors, if any, shall be a director of the Corporation, and should he cease to be a director, he shall ipso facto cease to be such officer. Except as otherwise provided by law, any number of offices may be held by the same person.

Section 3. Other Officers. Other officers, including a Chief Financial Officer, or one or more Vice Presidents, Assistant Secretaries, Treasurers or Assistant Treasurers, may from time to time be appointed by the Board of Directors, which other officers shall have such powers and perform such duties as may be assigned to them by the Board of Directors or the officer or committee appointing them.

Section 4. Removal of Officers. Any officer of the Corporation may be removed from office, with or without cause, by a vote of a majority of the Board of Directors.

Section 5. Resignation. Any officer of the Corporation may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President or any Vice President or Secretary. The acceptance of a resignation shall not be necessary in order to make it effective, unless so specified therein.

Section 6. Filling of Vacancies. A vacancy in any office shall be filled by the Board of Directors or by the authority appointing the predecessor in such office.

Section 7. Compensation. The compensation of the officers shall be fixed by the Board of Directors, or by any committee upon which power in that regard may be conferred by the Board of Directors.

Section 8. Chairman of the Board of Directors. The Chairman of the Board of Directors, if any, shall be a director and shall preside at all meetings of the stockholders and the Board of Directors, and shall have such power and perform such duties as may from time to time be assigned to him by the Board of Directors.

Section 9. President. In the absence of the Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders. The President shall have the power to call special meetings of the stockholders at any time. He shall be the Chief Executive Officer of the Corporation, and shall, subject to the Voting Agreement, have the general direction of the business, affairs and property of the Corporation, and of its several officers, and shall have and exercise all such powers and discharge such duties as usually pertain to the office of President.

Section 10. Vice Presidents. The Vice President, or Vice Presidents if there is more than one, shall, subject to the direction of the Board of Directors, at the request of the President, or in his absence or in case of his inability to perform his duties from any cause, perform the duties of the President, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. The Vice Presidents shall also perform such other duties as may be assigned to them by the Board of Directors, and the Board of Directors may determine the order of priority among them.

Section 11. Secretary. The Secretary shall perform such duties as are incident to the office of Secretary, or as may from time to time be assigned to him by the Board of Directors, or as are prescribed by these Bylaws.

Section 12. Treasurer. The Treasurer shall perform such duties and have powers as are usually incident to the office of Treasurer, or which may be assigned to him by the Board of Directors, or as are prescribed by these Bylaws.

ARTICLE VI.
CAPITAL STOCK.

Section 1. Issue of Certificates of Stock. Certificates of capital stock shall be in such form as shall be approved by the Board of Directors. They shall be numbered in the order of their issue and shall be signed by the Chairman of the Board of Directors, the President or one of the Vice Presidents, and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and the seal of the Corporation or a facsimile thereof shall be impressed or affixed or reproduced thereon; provided, however, that where such certificates are signed by a transfer agent or an assistant transfer agent or by a transfer clerk acting on behalf of the Corporation and a registrar, the signature of any such Chairman of the Board of Directors, President, Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer may be a facsimile. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, have not ceased to be such officer or officers of the Corporation.

Section 2. Registration and Transfer of Shares. The name of each person owning a share of the capital stock of the Corporation shall be entered on the books of the Corporation together with the number of shares held by him, the numbers of the certificates covering such shares and the dates of issue of such certificates. Subject to the Voting Agreement and the Right of First Refusal and Co-Sale Agreement, dated as of December 18, 2015, by and among the Corporation, Insight Venture Partners IX, L.P., Accel Growth Fund III L.P., John C. Huffard, Jr., Accel Growth Fund II L.P., and the other stockholders of the Corporation party thereto (as the same may be amended or modified, the "ROFR Agreement"), the shares of stock of the Corporation shall be transferable on the books of the Corporation by the holders thereof in person, or by their duly authorized attorneys or legal representatives, on surrender and cancellation of certificates for a like number of shares, accompanied by an assignment or power of transfer endorsed thereon or attached thereto, duly executed, and with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. A record shall be made of each transfer.

For purposes of clarification, the shares of the Corporation's capital stock and any warrants, options, rights and other instruments or securities convertible into or giving the holder thereof the right to purchase or receive shares of capital stock of the Corporation shall be issued in registered form and not in bearer form.

The Board of Directors may make other and further rules and regulations concerning the transfer and registration of certificates for stock and may appoint a transfer agent or registrar or both and may require all certificates of stock to bear the signature of either or both.

Section 3. Lost, Destroyed and Mutilated Certificates. The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, theft, destruction or mutilation of the certificates therefor. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it alleged to have been lost, stolen or destroyed, and the Board of Directors may, in its discretion, require the owner of the lost, stolen or destroyed certificate, or his legal representatives, to give the Corporation a bond, in such sum not exceeding double the value of the stock and with such surety or sureties as they may require, to indemnify it against any claim that may be made against it by reason of the issue of such new certificate and against all other liability in the premises, or may remit such owner to such remedy or remedies as he may have under the laws of the State of Delaware.

ARTICLE VII. DIVIDENDS,
SURPLUS, ETC.

Section 1. General Discretion of Directors. The Board of Directors shall have power to fix and vary the amount to be set aside or reserved as working capital of the Corporation, or as reserves, or for other proper purposes of the Corporation, and, subject to the requirements of the Certificate of Incorporation, to determine whether any part of the surplus or net profits of the Corporation, if any, shall be declared as dividends and paid to the stockholders, and to fix the date or dates for the payment of dividends.

ARTICLE VIII.
MISCELLANEOUS PROVISIONS.

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on January 1st of each year and end on December 31st of that year, or such other period as the Board of Directors may fix by resolution.

Section 2. Corporate Seal. The corporate seal shall be in such form as approved by the Board of Directors and may be altered by the Board of Directors as necessary. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 3. Notices. Except as otherwise expressly provided, any notice required by these Bylaws to be given shall be sufficient if given by depositing the same in a post office or letter box in a sealed postpaid wrapper addressed to the person entitled thereto at his address, as the same appears upon the books of the Corporation, or by sending such notice via facsimile, telegraphing, cabling or other means of electronic transmission in accordance with Section 232 of the DGCL, the same to such person at such addresses; and such notice shall be deemed to be given at the time it is mailed, sent via facsimile, telegraphed, cabled or electronically transmitted.

Section 4. Waiver of Notice. Any stockholder or director may at any time (whether after or before the meeting or other event requiring the notice), by writing or by facsimile, telegraph, cable or other means of electronic transmission, waive any notice required to be given under these Bylaws, and if any stockholder or director shall be present at any meeting his presence shall constitute a waiver of such notice. Any waiver signed, or given by facsimile, telegraph, cable or other means of electronic transmission, by stockholders or directors constituting a quorum for the business to be transacted shall be binding on all stockholders or directors, as applicable.

Section 5. Use of Electronic Transmission. The Corporation is authorized to use “electronic transmissions” as defined in the DGCL to the full extent allowed by the DGCL, including, but not limited to, for purposes of notices, proxies, waivers, resignations, and any other purpose for which electronic transmissions are permitted

Section 6. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be designated by resolution of the Board of Directors.

Section 7. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks, trust companies or other depositories as the Board of Directors may select, and, for the purpose of such deposit, checks, drafts, warrants and other orders for the payment of money that are payable to the order of the Corporation, may be endorsed for deposit, assigned and delivered by any officer of the Corporation, or by such agents of the Corporation as the Board of Directors, the President or any Vice President may authorize for that purpose.

Section 8. Voting Stock of Other Corporations. Except as otherwise ordered by the Board of Directors or the Executive Committee, the President or any Vice President or the Treasurer shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of the stockholders of any corporation of which the Corporation is a stockholder and to execute a proxy to any other person to represent the Corporation at any such meeting, and at any such meeting the President or any Vice President or the Treasurer or the holder of any such proxy, as the case may be, shall possess and may exercise any and all rights and powers incident to ownership of such stock and which, as owner thereof, the Corporation might have possessed and exercised if present. The Board of Directors or the Executive Committee may from time to time confer like powers upon any other person or persons.

Section 9. Indemnification of Officers and Directors. Without limiting the rights of any and all directors or officers of the Corporation (including former directors or officers, and any employee, who shall serve as an officer or director of any corporation at the request of this Corporation) pursuant to any contractual arrangement with the Corporation or otherwise, the Corporation shall indemnify any and all of its directors or officers, including former directors or officers, and any employee, who shall serve as an officer or director of any corporation at the request of this Corporation, to the fullest extent permitted under and in accordance with the laws of the State of Delaware.

ARTICLE IX. AMENDMENTS.

The Board of Directors shall have the power to make, rescind, alter, amend and repeal these Bylaws; provided, however, that the stockholders shall have power to rescind, alter, amend or repeal any bylaws made by the Board of Directors, and to enact bylaws which if so expressed shall not be rescinded, altered, amended or repealed by the Board of Directors. No change of the time or place for the annual meeting of the stockholders for the election of directors shall be made except in accordance with the laws of the State of Delaware.

TENABLE HOLDINGS, INC.

INVESTORS' RIGHTS AGREEMENT

THIS INVESTORS' RIGHTS AGREEMENT (this "**Agreement**") is made and entered into as of December 18, 2015, by and among Tenable Holdings, Inc., a Delaware corporation (the "**Company**"), each of the entities identified on Schedule A attached hereto (the "**Institutional Investors**") and the Founder Owners (together with the Institutional Investors, the "**Investors**"). The Company and each of the Investors are a "**party**" and collectively are the "**parties**."

WHEREAS, the Investors are parties to the Series B Preferred Stock Purchase Agreement of even date herewith, as the same may be amended from time to time (the "**Purchase Agreement**"), among the Company and the Investors listed on Schedule A thereto, and it is a condition to the closing of the sale of the Series B Preferred Stock to such Investors that the Investors and the Company execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants set forth in this Agreement, the parties hereto agree as follows:

1. Restrictions on Transferability of Securities; Registration Rights.

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "**Accel**" shall mean Accel Growth Fund II L.P., Accel Growth Fund II Strategic Partners L.P., Accel Growth Fund Investors 2012 L.L.C., Accel Growth Fund III L.P., Accel Growth Fund III Strategic Partners L.P. Accel Growth Fund Investors 2014, L.L.C., Accel XI L.P., Accel XI Strategic Partners L.P. and Accel Investors 2013 L.L.C.

(b) "**Affiliate**" shall mean, with respect to any specified individual, firm, corporation, partnership, association, limited liability company, trust or other entity, any other individual, firm, corporation, partnership, association, limited liability company, trust or any other entity that, directly or indirectly, controls, is controlled by or is under common control with such person, including, without limitation, any general partner, managing member, officer or director of such person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same general partner or management company with, such person.

(c) "**Closing**" shall mean the date of the initial sale of shares of the Company's Series B Preferred Stock.

(d) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(e) "**Commission**" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities

Act.

(f) “**Common Stock**” shall mean the Company’s common stock, par value \$0.01 per share.

(g) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(h) “**Family Member**” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships.

(i) “**Founder Owners**” means any or all of Ronald J. Gula, Renaud Deraison, The Three Suns Irrevocable Trust Dated March 2, 2012, Mary Kathryn Braden Huffard, The Polish Lilac Trust Dated December 27, 2011, The Ronald J. Gula 2013 Grantor Retained Annuity Trust Dated November 22, 2013, The Ronald J. Gula 2015 Grantor Retained Annuity Trust #4 Dated March 31, 2015, The Ronald J. Gula 2012 Grantor Retained Annuity Trust, The Renaud Deraison 2013 Grantor Retained Annuity Trust Dated April 5, 2013, The Cynthia Y. Gula 2013 Grantor Retained Annuity Trust Dated December 11, 2013, and The Cynthia Y. Gula 2015 Grantor Retained Annuity Trust #2 Dated March 31, 2015.

(j) “**Free Writing Prospectus**” shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act.

(k) “**Holder**” shall mean any person or entity who holds Registrable Securities and any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Sections 1.2 and 1.12 hereof.

(l) “**Initial Public Offering**” shall mean the closing of the Company’s first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(m) “**Initiating Holders**” shall mean any Holder or Holders who in the aggregate hold not less than sixty percent (60%) of the outstanding Registrable Securities.

(n) “**Insight**” shall mean Insight Venture Management, LLC and its affiliates.

(o) “**Institutional Holder**” shall mean the Institutional Investors who hold Registrable Securities and any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred by any Institutional Holder or their permitted transferees in compliance with Sections 1.2 and 1.12 hereof

(p) “**Major Holder**” shall mean a Holder that holds, individually or together with such Holder’s Affiliates, at least 100,000 Shares, subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits, recapitalizations and the like.

(q) “**Major Institutional Holder**” shall mean an Institutional Holder that holds, individually or together with such Institutional Holder’s Affiliates, at least 100,000 Shares, subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits, recapitalizations and the like.

(r) “**Other Shares**” shall mean shares of Common Stock of the Company (other than Registrable Securities), including shares of Common Stock issued or issuable upon conversion of shares of any currently unissued series of preferred stock of the Company, with registration rights.

(s) “**Other Stockholders**” shall mean persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

(t) “**Registrable Securities**” shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Shares, (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in clause (i) above, and (iii) all Common Stock owned or controlled by any and all Founder Owners; provided, however, that Registrable Securities shall not include any shares of Common Stock which have been sold to the public either pursuant to a registration statement or Rule 144, which have been transferred in a transaction in which the transferor’s registration rights under this Agreement are not assigned, or with respect to which the registration rights under this Agreement have terminated pursuant to Section 1.16 hereof.

(u) “**Register,**” “**registered**” and “**registration**” shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(v) “**Registration Expenses**” shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, and reasonable fees and disbursements of one special counsel for the Holders, but shall not include Selling Expenses and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(w) “**Restricted Securities**” shall mean any Registrable Securities required to bear the first legend set forth in Section 1.2(b) hereof.

(x) “**Rule 144**” shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(y) “**Rule 145**” shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(z) “**Securities Act**” shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(aa) “**Selling Expenses**” shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of counsel included in Registration Expenses).

(bb) “**Series A Preferred Stock**” shall mean the Company’s Series A Preferred Stock, par value \$0.01 per share.

(cc) “**Series B Preferred Stock**” shall mean the Company’s Series B Preferred Stock, par value \$0.01 per share.

(dd) “**Shares**” shall mean shares of Series A Preferred Stock and Series B Preferred Stock.

(ee) “**S-3 Initiating Holders**” shall mean any Holder or Holders who in the aggregate hold not less than sixty percent (60%) of the outstanding Registrable Securities.

1.2 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Registrable Securities unless and until the transferee has agreed in writing for the benefit of the Company to be bound by this Section 1.2, provided and to the extent this Section 1.2 is then applicable, and:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition necessary for the Company to reasonably determine that such disposition will not require registration under the Securities Act and, if reasonably requested, provide an executed certificate stating that such Holder has determined that such disposition will not require registration under the Securities Act.

(b) Notwithstanding the provisions of Section 1.2(a) hereof, no such registration statement or certificate of determination shall be necessary for a transaction involving a transfer without consideration by a Holder that is (i) a partnership transferring to its partners or former partners in accordance with their partnership interests, (ii) a corporation transferring to its stockholders in accordance with their interests in the corporation, (iii) a limited liability company transferring to its members or former members in accordance with their limited liability company interests, or (iv) an individual Holder transferring to a Family Member of a Holder or a trust for the benefit of such Holder or Family Member made for bona fide estate planning purposes, provided that in each case the transferee agrees to be subject to the terms of this Agreement to the same extent as if such transferee were an original Holder hereunder.

(c) Each certificate representing Registrable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS OR IF OFFERED AND SOLD PURSUANT TO A VALID EXEMPTION THERETO.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE COMPANY FILED UNDER THE ACT, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SECURITIES.

(d) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal

1.3 Requested Registration.

(a) If the Company shall receive from Initiating Holders who are Investors or permissible assignees of Investors pursuant to Section 1.12 hereof, at any time or times after the earlier of (i) five (5) years after the date hereof or (ii) six (6) months after the effective date of the registration statement for the Initial Public Offering, a written request that the Company effect any registration with respect to all or a part of the Registrable Securities, the aggregate proceeds of which (after deduction for underwriter's discounts and expenses related to the issuance) exceed \$30,000,000, the Company shall:

(i) within ten (10) days of receipt thereof, give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, and in any event within sixty (60) days of receipt of such request, file a registration statement covering such Registrable Securities of the Initiating Holders as are specified in such request, together with the Registrable Securities of other Holders joining in such request as are specified in a written request received by the Company within ten (10) days after such written notice from the Company is given, and use commercially reasonable efforts to effect such registration.

(b) The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 1.3:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(ii) after the Company has effected two (2) such registrations pursuant to this Section 1.3 (counting for these purposes only registrations which have been declared or ordered effective and registrations which have been withdrawn by the Holders as to which the Holders have not elected to bear the Registration Expenses pursuant to Section 1.6 hereof and would, absent such election, have been required to bear such expenses);

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities which may be registered on Form S-3 pursuant to a request made under Section 1.5 hereof.

(c) If the Company shall furnish to the Initiating Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is therefore in the best interests of the Company to defer the filing of such registration statement, the Company shall have the right to defer such filing for the period during which such disclosure would be materially detrimental, provided that the Company may not defer such filing for a period of more than one hundred twenty (120) days after receipt of the request of the Initiating Holders. The Company may not defer its obligation in this manner more than twice in any twelve (12) month period.

(d) The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 1.14 hereof, include Other Shares held by Other Stockholders and may include securities of the Company being sold for the account of the Company.

(e) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 1.3(a) hereof and the Company shall include such information in the written notice referred to in Section 1.3(a) hereof. The underwriter or underwriters shall be selected by the Company and shall be reasonably acceptable to Initiating Holders holding a majority of the Registrable Securities held by all Initiating Holders.

In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall, together with the Company, enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting; provided that notwithstanding anything to the contrary contained herein, no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters in connection with such underwriting agreement other than representations, warranties or agreements regarding such Holder, such Holder's title to the Registrable Securities, such Holder's authority to sell the Registrable Securities, such Holder's intended method of distribution, absence of liens with respect to the Registrable Securities, enforceability of the applicable underwriting agreement as against such Holder, receipt of all consents and approvals with respect to the entry into such underwriting agreement and the sale of such Registrable Securities and any other representations required to be made by such Holder under applicable law, rule or regulation, and the aggregate amount of the liability of such Holder in connection with such underwriting agreement shall not exceed such Holder's net proceeds (i.e. gross proceeds less underwriter's discounts and commissions) from such underwritten offering.

(f) Notwithstanding any other provision of this Section 1.3, if the representative of the underwriters advises the Initiating Holders in writing that marketing factors require a limitation on the number of securities to be underwritten, the Initiating Holders shall so advise all holders of Registrable Securities that would otherwise be underwritten, and the number of securities to be included in the underwriting shall be allocated in accordance with Section 1.14 hereof. If a person who has requested inclusion in such registration as provided herein does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders, and the securities so excluded shall be withdrawn from such registration. If securities are so withdrawn from the registration and if the number of securities to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 1.3(f), the Company shall offer to all Holders or Other Stockholders who have retained rights to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of securities so withdrawn, with such securities to be allocated among such Holders or Other Stockholders requesting additional inclusion in accordance with Section 1.14 hereof.

1.4 Company Registration.

(a) If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders exercising their respective demand registration rights, other than a registration pursuant to Section 1.3 or 1.5 hereof, a registration related to a the Company's Initial Public Offering of its Common Stock where the Company has determined pursuant to Section 1.4(c) hereof to exclude selling stockholders, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, or a registration relating solely to a Rule 145 transaction, the Company shall:

(i) promptly give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.4(b) hereof, and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made by any Holder and received by the Company within ten (10) days after the written notice from the Company described in clause (i) above is given by the Company. Such written request may specify all or a part of a Holder's Registrable Securities.

(b) If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.4(a)(i) hereof. In such event, the right of any Holder to include Registrable Securities in such registration pursuant to this Section 1.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and any Other Stockholders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

(c) Notwithstanding any other provision of this Section 1.4, if the representative of the underwriters advises the Company that marketing factors require a limitation on the number of securities sold other than by the Company, the representative may (subject to the limitations set forth below) exclude all Registrable Securities from, or limit the number of Registrable Securities to be included in, the registration and underwriting. If the registration is with respect to the Company's Initial Public Offering, the Company may limit, to the extent so advised by the underwriters, the amount of securities (including Registrable Securities) to be included in the registration by the Company's stockholders (including the Holders), or may exclude, to the extent so advised by the underwriters, such underwritten securities entirely from such registration (provided that all Holders shall be excluded last from such offering). If such registration is with respect to any subsequent Company-initiated registered offering of the Company's securities to the general public, the Company may limit, to the extent so advised by the underwriters, the amount of securities to be included in the registration by the Company's stockholders (including the Holders); provided, however, that the number of Registrable Securities to be included in such registration by the Company's stockholders (including the Holders) may not be so reduced to less than twenty percent (20%) of the total number of all securities included in such registration (provided that all Holders shall be excluded last from such offering). The Company shall so advise all holders of securities requesting registration, and the number of securities that are entitled to be included in the registration and underwriting shall be allocated first to the Company for securities being sold for its own account and thereafter as set forth in Section 1.14 hereof. If any person does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company or the underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. If securities are so withdrawn from the registration and if the number of securities to be included in such registration was previously reduced as a result of marketing factors, the Company shall then offer to all persons who have retained the right to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of securities so withdrawn, with such securities to be allocated among the persons requesting additional inclusion in accordance with Section 1.14 hereof.

To facilitate the allocation of securities in accordance with the above provisions, the Company or the underwriter(s) may round the number of securities allocated to any Holder to the nearest 100 shares.

(d) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.4 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

1.5 Registration on Form S-3.

(a) After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 1, the S-3 Initiating Holders who are Investors or permissible assignees of Investors pursuant to Section 1.12 hereof shall have the right to request registrations on Form S-3 (such requests shall be in writing and shall state the number of Registrable Securities to be disposed of and the intended methods of disposition of such securities by such Holder or Holders); provided, however, that the Company shall not be obligated to effect any such registration:

(i) if the S-3 Initiating Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than \$10,000,000;

(ii) if the Company shall furnish the certification described in Section 1.3(c) hereof (but subject to the limitations set forth therein);

(iii) in a given six (6) month period, after the Company has effected one (1) such registration in any such period; or

(iv) in the circumstances described in Sections 1.3(b)(i) or 1.3(b)(iii) hereof.

(b) If a request complying with the requirements of Section 1.5(a) hereof is delivered to the Company, the provisions of Sections 1.3(a)(i) and (ii) hereof shall apply to such registration. If the registration is for an underwritten offering, the provisions of Sections 1.3(e) and 1.3(f) hereof shall apply to such registration.

1.6 Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Sections 1.3, 1.4 and 1.5 hereof shall be borne by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 1.3 and 1.5 hereof if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered or because a sufficient number of Holders shall have withdrawn so that the minimum offering conditions set forth in Sections 1.3 and 1.5 hereof are no longer satisfied (in which case all participating Holders shall bear such expenses pro rata among such Holders based on the number of Registrable Securities requested to be so registered), unless the Holders of sixty percent (60%) of the Registrable Securities agree to forfeit their right to one (1) demand registration pursuant to Section 1.3 or 1.5 hereof, as applicable; provided further, however, that if (a) such withdrawal occurs prior to the date the registration statement shall have become effective and is based upon material adverse information relating to the Company that is different from the information known to the Holders requesting registration at the time of their request for registration under Section 1.3 or 1.5 hereof or (b) as a result of an exercise of the underwriter's cutback provisions in Section 1.14, fewer than seventy-five percent (75%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included, such registration shall not be treated as a counted registration for purposes of Section 1.3 or 1.5 hereof, as applicable, even though the Holders do not bear the Registration Expenses for such registration.

All Selling Expenses relating to securities so registered shall be borne by the holders of such securities pro rata on the basis of the number of securities so registered on their behalf.

1.7 Registration Procedures. In the case of each registration effected by the Company pursuant to Section 1.3, 1.4 or 1.5 hereof, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company shall:

(a) Keep such registration effective for a period of one hundred twenty (120) days or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock (or other securities) of the Company; and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, subject to compliance with SEC rules, such one hundred twenty (120) day period shall be extended for up to sixty (60) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) Furnish such number of copies of a prospectus, including a preliminary prospectus, and any Free Writing Prospectus, including any amendments or supplements thereto, and other documents incident thereto, as a Holder from time to time may reasonably request in order to facilitate the distribution of such Holder's Registrable Securities;

(d) Notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) Cause all such Registrable Securities registered hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(f) Provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(g) In connection with any underwritten offering pursuant to a registration statement filed pursuant to this Section 1, the Company will enter into an underwriting agreement reasonably necessary to effect the offer and sale of Common Stock, provided such underwriting agreement contains customary underwriting provisions and provided further that if the underwriter so requests the underwriting agreement will contain customary contribution provisions;

(h) Furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities; and

(i) Register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

1.8 Indemnification.

(a) To the fullest extent permitted by law, the Company will indemnify each Holder, each of its officers, directors, Affiliates and partners, legal counsel, and accountants and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification, or compliance has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages, and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by the Company of the Securities Act, any state or other securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance, and will reimburse each such Holder, each of its officers, directors, Affiliates, partners, legal counsel, and accountants and each person controlling such Holder, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action; provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Holder or underwriter and stated to be specifically for use therein. It is agreed that the indemnity agreement contained in this Section 1.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent has not been unreasonably withheld).

(b) To the fullest extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification, or compliance is being effected, indemnify the Company, each of its directors, officers, partners, legal counsel, and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder and Other Stockholder, and each of their officers, directors, and partners, and each person controlling such Holder or Other Stockholder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular, or other document, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, Other Stockholders, directors, officers, partners, legal counsel, and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld).

In no event shall any indemnity under this Section 1.8(b) exceed the net proceeds from the offering received by such Holder.

(c) Each party entitled to indemnification under this Section 1.8 (the “**Indemnified Party**”) shall give notice to the party required to provide indemnification (the “**Indemnifying Party**”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party’s expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall relieve the Indemnifying Party of its obligations under this Section 1, only to the extent such failure is prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 1.8 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided, however, that in no event shall any contribution by a Holder under subsection (d) of this Section 1.8 (together with any amounts paid pursuant to Section 1.8(b) above) exceed the net proceeds from the offering received by such Holder. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided that in no event shall any indemnity obligations of any Holder exceed the net proceeds from the offering received by a such Holder, except in the case of willful misconduct or fraud by such Holder.

(f) The obligations of the Company and Holders under this Section 1.8 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.9 Information by Holder. Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 1.

1.10 Limitations on Subsequent Registration Rights. After the date of this Agreement, the Company shall not, without the prior written consent of Holders of sixty percent (60%) of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are more favorable than or on parity with the registration rights granted to the Holders hereunder, unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities would not reduce the number of Registrable Securities included by the Holders.

1.11 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use commercially reasonable efforts to:

(a) Make and keep public information regarding the Company available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

1.12 Transfer or Assignment of Registration Rights. The rights to cause the Company to register securities granted to a Holder by the Company under this Section 1 may be transferred or assigned by (a) a Holder (other than an Institutional Holder) only to a Family Member of such Holder or a trust for the benefit of such Holder or Family Member made for bona fide estate planning purposes, and (b) an Institutional Holder only to (i) a transferee or assignee who after such transfer or assignment holds not less than 10,000 Registrable Securities (subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like); (ii) partners, retired partners, members, retired members or other equity owners or Affiliates of such Institutional Holder or to the estate of any such individuals; or (iii) a Family Member of such Institutional Holder or a trust for the benefit of such Institutional Holder or Family Member made for bona fide estate planning purposes; provided, however, that in each such case (including with respect to Holders) the Company is given written notice at the time of or within a reasonable time after such transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, such transfer or assignment is effected in accordance with Section 1.2 hereof, and the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement.

1.13 "Market Stand-Off" Agreement.

(a) Each Holder agrees that such Holder shall not sell or otherwise transfer, dispose of, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale of, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the initial registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) and during the ninety (90) day period following the effective date of any subsequent registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation); provided that such restrictions with respect to any subsequent registration shall terminate one year after the effective date of the Company's initial registration statement filed under the Securities Act. The foregoing provisions of this Section 1.13 shall not apply to the sale of any securities to an underwriter pursuant to an underwriting agreement and shall only be applicable to the Holders if all then current officers and directors and greater than one percent (1%) stockholders of the Company enter into similar agreements. The underwriters in connection with any public offering subject to the provisions of this Section 1.13 are intended third party beneficiaries of this Section 1.13 and shall have the right to enforce the provisions hereof as though they were a party hereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply to all Holders subject to such agreements pro rata based on the number of securities subject to such agreements, unless waived by the Holders of sixty percent (60%) of the Registrable Securities.

(b) The obligations described in this Section 1.13 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the securities subject to the foregoing restriction until the end of the applicable periods. Each Holder agrees to execute a market standoff agreement with the underwriters in customary form consistent with the provisions of this Section 1.13.

1.14 Allocation of Registration Opportunities. Except as otherwise provided in this Agreement, in any circumstance in which all of the Registrable Securities and Other Shares requested to be included in a registration on behalf of the Holders or Other Stockholders cannot be so included as a result of limitations in the aggregate number of Registrable Securities and Other Shares that may be so included, the number of Registrable Securities and Other Shares (if any) shall be excluded, first by excluding Other Shares, pro rata on the basis of the number of Other Shares held by such Other Stockholders, and thereafter by excluding Registrable Securities, pro rata on the basis of the number of Registrable Securities held by such Holders, until the aggregate number of Registrable Securities and Other Shares (if any) may be included in such registration. If any Holder or Other Stockholder does not request inclusion of the maximum number of Registrable Securities and Other Shares allocated to such person pursuant to the above described formula, the remaining portion of such person's allocation shall be reallocated among those requesting Holders and/or Other Stockholders whose allocations did not satisfy their requests, pro rata on the same basis as described above, and this procedure shall be repeated until all of the Registrable Securities and/or Other Shares that may be included in such registration on behalf of the Holders and/or Other Stockholders have been so allocated. For purposes of the preceding sentence concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership or corporation, such Holder together with all partners, retired partners, members, retired members and other equity owners or Affiliates of such Holder, or the estates and Family Members of any such individuals and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

1.15 Delay of Registration. No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.16 Termination of Registration Rights. The right of any Holder to request registration or inclusion in any registration pursuant to Section 1.3, 1.4 or 1.5 hereof shall terminate upon the earlier of (a) such date after the closing of the Initial Public Offering as all shares of Registrable Securities held or entitled to be held upon conversion by such Holder may immediately be sold under Rule 144 during any ninety (90) day period (provided that if any such exemption subsequently becomes unavailable to the Holder, such Holder's rights hereunder shall automatically be reinstated until the expiration of the period set forth in Section 1.16(b)); or (b) the expiration of five (5) years after the closing of the Initial Public Offering.

2. Covenants of the Company. The Company hereby covenants and agrees, so long as a Holder owns any Registrable Securities, as follows:

2.1 Basic Financial Information. The Company will furnish the following reports to each Major Holder:

(a) within one hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its subsidiaries, if any, as at the end of such fiscal year, and consolidated statements of income, cash flows and stockholders' equity of the Company and its subsidiaries, if any, for such fiscal year, prepared in accordance with generally accepted accounting principles consistently applied, certified by BDO USA LLP or such other independent public accountants of recognized national standing selected by the Company;

(b) within forty-five (45) days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with generally accepted accounting principles consistently applied (except that such financial statements may be subject to normal year-end adjustments and may not contain all footnotes required by generally accepted accounting principles);

(c) at least thirty (30) days prior to the beginning of each fiscal year, an annual budget and business plan for such fiscal year; and

(d) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Holder may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 2.1(d) to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries

2.2 Inspection Rights. The Company will afford to each Major Holder, and to such Major Holder's accountants and counsel, reasonable access during normal business hours to all of the Company's respective properties, books and records. Each such Major Holder shall have such other access to management and information as is necessary for it to comply with applicable laws and regulations and reporting obligations. The Company shall not be required to disclose details of contracts with or work performed for specific customers and other business partners where to do so would violate confidentiality obligations to those parties.

2.3 Confidentiality. No Holder by reason of this Agreement shall have access to classified information of the Company. The Company shall not be required to comply with any information rights of this Section 2 in respect of any Holder that the Board of Directors reasonably and in good faith determines to be a competitor of the Company or an officer, employee, director or holder of more than ten percent (10%) of the outstanding equity interests of such a competitor; provided that that the mere investment by any Holder or any Affiliate that is a venture capital fund, private equity fund or financial investment firm or collective investment vehicle in other companies in the Company's industry or participation on such company's board of directors shall not, in and of itself, cause such Holder to be deemed, a competitor, of the Company.

Each Holder agrees to hold in confidence and trust and not to misuse or disclose any information furnished pursuant to this Section 2 that the Company identifies as being confidential and to use the same degree of care as such Holder uses to protect its own confidential information, except that such Holder may disclose such confidential information (i) to any partner, member, employee, director, Affiliate, representative, agent, subsidiary or parent of such Holder or any of their respective partners, members, employees, directors, Affiliates, representatives, agents, subsidiaries or parents for the purpose of evaluating its investment in the Company as long as such partner, member, subsidiary or parent is advised of the confidentiality provisions of this Section 2.3, (ii) that enters the public domain through no fault of such Holder, (iii) that is disclosed to such Holder free of any obligation of confidentiality, (iv) that is developed by such Holder or its agents independently of and without reference to any confidential information disclosed by the Company, (v) to any prospective transferee of such Holder's Shares as long as such prospective transferee enters into a customary confidentiality agreement with such Holder in respect of such confidential information or (vi) as may otherwise be required by law, provided that such Holder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. Furthermore, nothing in this Agreement shall prevent any of Accel or Insight or any of their Affiliates from (i) entering into any business, entering into any agreement with a third party, or investing in or engaging in investment discussions with any other person (whether or not competitive with the Company), provided that neither Accel nor Insight, except as permitted in accordance with this Section 2.3, discloses or otherwise makes use of any proprietary or confidential information of the Company in connection with such activities, or (ii) making any disclosures required by law, rule, regulation or court or other governmental order.

2.4 Transfer or Assignment of Information Rights. The rights granted pursuant to Sections 2.1 and 2.2 may be transferred or assigned by (a) a Major Holder (other than a Major Institutional Holder) only to a Family Member of such Major Holder or a trust for the benefit of such Major Holder or Family Member made for bona fide estate planning purposes, and (b) a Major Institutional Holder only to (i) a transferee or assignee who after such transfer or assignment holds 25,000 Registrable Securities or more (subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like); (ii) partners, retired partners, members, retired members or other equity owners or affiliates of such Major Institutional Holder or to the estate of any such individuals; or (iii) a Family Member of such Major Institutional Holder or a trust for the benefit of such Major Institutional Holder or Family Member made for bona fide estate planning purposes; provided, however, that in each such case (including with respect to a Major Holder) the Company is given written notice at the time of or within a reasonable time after such transfer or assignment, stating the name and address of the transferee or assignee and the transferee or assignee of such rights assumes in writing the obligations of such Major Holder under this Agreement. Notwithstanding the foregoing, the rights granted pursuant to Sections 2.1 and 2.2 may not be assigned or otherwise conveyed by the Major Holders or by any subsequent transferee of any such rights to any person or entity that is reasonably and in good faith determined by the Board of Directors of the Company to be a competitor of the Company; provided that the mere investment by any such prospective transferee that is, or has Affiliates that are, a financial investment firm or collective investment vehicle (a "**Fund Transferee**") in other companies that compete directly with the Company's business (a "**Portfolio Company**") or participation on a Portfolio Company's board of directors shall not, in and of itself, cause such prospective Fund Transferee to be deemed a competitor of the Company so long as, in connection with such assignment, the Fund Transferee agrees that no confidential information provided to such Fund Transferee pursuant to Sections 2.1 and 2.2 shall be distributed to a Portfolio Company.

2.5 Directors' and Officer's Insurance. The Company shall use commercially reasonable efforts to maintain at all times directors' and officer's insurance in the amount of \$5,000,000.

2.6 Compensation Committee. Upon establishment of a Compensation Committee of the Board of Directors, the membership of such committee shall include at least one (1) Series A Director and Series B Director (as such term is defined under the Company's Amended and Restated Certificate of Incorporation, as in effect from time to time). All material compensation decisions of the Company shall be made by the Compensation Committee. None of John C. Huffard, Jr., Renaud M. Deraison and Ronald J. Gula shall participate in any bonus plan established by the Company unless such participation is approved by the Compensation Committee, which approval shall include the affirmative vote of at least one (1) Series A Director and Series B Director who are members of the Compensation Committee.

2.7 Termination of Covenants. The covenants set forth in this Section 2 shall terminate and be of no further force and effect upon the earlier to occur of (i) the closing of the Company's Initial Public Offering, or (ii) the occurrence of a "**Liquidation Event**," as such term is defined under the Company's Amended and Restated Certificate of Incorporation, as in effect from time to time. The covenants in Section 2.1 and 2.2 hereof shall also terminate and be of no further force and effect at such time as the Company becomes subject to the periodic reporting provisions of the Exchange Act.

3. Right of First Refusal.

3.1 Right of First Refusal. The Company hereby grants to each Major Holder the right of first refusal to purchase a pro rata share of New Securities (as defined in this Section 3.1) which the Company may, from time to time, propose to sell and issue. A Major Holder's pro rata share, for purposes of this right of first refusal, is the ratio of the number of shares of Common Stock owned by such Major Holder immediately prior to the issuance of New Securities, assuming full conversion of the Shares and full conversion and exercise of all other convertible securities, rights, options and warrants to acquire Common Stock owned by such Major Holder, to the total number of shares of Common Stock outstanding immediately prior to the issuance of New Securities, assuming full conversion of the Shares and full conversion and exercise of all outstanding convertible securities, rights, options and warrants to acquire Common Stock of the Company. For purposes of this Section 3.1, the term "Major Holder" includes any Affiliates of a Major Holder. A Major Holder shall be entitled to apportion the right of first refusal hereby granted it among itself and its Affiliates in such proportions as it deems appropriate. This right of first refusal shall be subject to the following provisions:

(a) “**New Securities**” shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided that the term “New Securities” does not include (i) securities issued or issuable upon the conversion or exercise of convertible or exercisable securities; (ii) securities issued or issuable to employees, directors and officers of, or consultants or advisors to, the Company pursuant to stock grants, stock option, stock bonus, stock purchase or other employee incentive programs, plans or agreements approved by the Board of Directors, including at least one (1) Series A Director and Series B Director; (iii) securities issued or issuable in connection with any stock split, stock dividend or recapitalization of the Company; (iv) securities issued or issuable as a dividend or distribution on the Shares; (v) securities issued or issuable as consideration for (and not for the purpose of capital raising to finance the transaction) bona fide acquisitions of other businesses or technologies by the Company by merger, consolidation, acquisition of stock or assets or otherwise approved by the Board of Directors of the Company, including at least one (1) Series A Director and Series B Director; (vi) securities issued or issuable to banks or other financial institutions in connection with bona fide leases, loans, credit lines, guaranties of indebtedness, cash price reductions, debt financings or similar transactions (but excluding capital stock financings) with such banks or financial institutions, in each case, approved by the Board of Directors of the Company, including at least one (1) Series A Director and Series B Director; (vii) in connection with research, collaboration, manufacturing, supply, licensing, development, OEM, distribution, marketing or other similar strategic transactions or joint ventures, provided that such transactions are entered into for primarily non-equity financing purposes and are approved by the Board, including at least one (1) Series A Director and Series B Director; (viii) securities issued or issuable in connection with an Initial Public Offering pursuant to which all outstanding Shares are automatically converted into Common Stock; (ix) securities issued or issuable in connection with the Series B Purchase Agreement or any contribution agreement pursuant to which any Person acquires Common Stock or Shares as contemplated by the Merger Agreement, dated as of the date hereof, by and between the Company, Tenable Network Security, Inc., and the other parties thereto; and (x) securities issued in connection with any other transaction in which exemption or waiver of the provisions of this Section 3.1 is approved by the affirmative vote of at least sixty percent (60%) of the then-outstanding Registrable Securities held by the Major Holders.

(b) If the Company proposes to undertake an issuance of New Securities, it shall give each Major Holder written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Major Holder shall have twenty (20) days after any such notice is given to agree to purchase such Major Holder’s pro rata share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. The Company shall promptly, in writing, inform each Major Holder that elects to purchase all of the New Securities available to it (a “**Fully-Exercising Investor**”) of any other Major Holder’s failure to do likewise. During the ten (10) day period commencing after such information is given, each Fully-Exercising Investor may elect to purchase that portion of the New Securities for which Major Holders were entitled to subscribe but which were not subscribed for by the Major Holders that is equal to the proportion that the number of shares of Common Stock owned by such Fully-Exercising Investor, assuming full conversion of the Shares and full conversion and exercise of all other convertible securities, rights, options and warrants to acquire Common Stock, bears to the total number of shares of Common Stock owned by all Fully-Exercising Investor who wish to purchase some of the unsubscribed New Securities, assuming full conversion of the Shares and full conversion and exercise of all other convertible securities, rights, options and warrants to acquire Common Stock, or such greater amount of such New Securities as may be available as a result of any Fully-Exercising Investor not fully exercising their right to acquire additional New Securities.

(c) If the Major Holders fail to exercise fully the right of first refusal within the periods provided in Section 3.1(b) hereof, the Company shall have ninety (90) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within thirty (30) days from the date of such agreement) to sell the New Securities with respect to which the Major Holders' right of first refusal set forth in this Section 3.1 was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company's notice to the Major Holders pursuant to Section 3.1(b) hereof. If the Company has not sold the New Securities within the times specified in the prior sentence, the Company shall not thereafter issue or sell any New Securities without first again offering such securities to the Major Holders in the manner provided in Section 3.1(b) hereof.

3.2 Transfer or Assignment of Right of First Refusal. The rights granted pursuant to Sections 3.1 may be transferred or assigned by (a) a Major Holder (other than a Major Institutional Holder) only to a Family Member of such Major Holder or a trust for the benefit of such Major Holder or Family Member made for bona fide estate planning purposes, and (b) a Major Institutional Holder only to (i) a transferee or assignee who after such transfer or assignment holds not less than 25,000 Registrable Securities (subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like); (ii) partners, retired partners, members, retired members or other equity owners or Affiliates of such Major Institutional Holder or to the estate of any such individuals; or (iii) a Family Member of such Major Institutional Holder or a trust for the benefit of such Major Institutional Holder or Family Member made for bona fide estate planning purposes; provided, however, that in each such case (including with respect to a Major Holder) the Company is given written notice at the time of or within a reasonable time after such transfer or assignment, stating the name and address of the transferee or assignee and the transferee or assignee of such rights assumes in writing the obligations of such Major Holder under this Agreement. Notwithstanding the forgoing, the rights granted pursuant to Section 3.1 may not be assigned or otherwise conveyed by the Major Holders or by any subsequent transferee of any such rights to any person or entity that is reasonably and in good faith determined by the Board of Directors of the Company to be a competitor of the Company; provided that the mere investment by any such prospective transferee that is a Fund Transferee in a Portfolio Company or participation on a Portfolio Company's board of directors shall not, in and of itself, cause such prospective Fund Transferee to be deemed a competitor of the Company so long as, in connection with such assignment, the Fund Transferee agrees that no confidential information provided to such Fund Transferee pursuant to Sections 2.1 and 2.2 shall be distributed to a Portfolio Company.

3.3 Termination. The right of first refusal set forth in Section 3.1 hereof shall terminate and be of no further force and effect upon, the earlier to occur of (a) the closing of the Company's Initial Public Offering, (b) the occurrence of a Liquidation Event, or (c) at such time as the Company becomes subject to the periodic reporting provisions of the Exchange Act.

4. Miscellaneous

4.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware. With respect to any disputes arising out of or related to this Agreement, the parties consent to the exclusive jurisdiction of, and venue in, the state and federal courts located in Delaware. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. Each of the parties hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the transactions contemplated hereby, by, among other things, the mutual waivers and certifications in this Section 4.1.

4.2 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including permitted transferees of any Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.3 Entire Agreement; Amendment; Waiver. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein. Any term of this Agreement may be amended, waived or terminated (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and holders of sixty percent (60%) of the Registrable Securities (or, in the case of provisions that grant rights to the Major Holders, sixty percent (60%) of the Registrable Securities held by Major Holders); provided, however, that if any amendment, waiver or termination operates in a manner that materially, disproportionately (relative to all other Holders) and adversely effects the rights of a Holder, the consent of such Holder shall also be required for such amendment, waiver or termination. Any such amendment, waiver or termination shall be binding on all Holders. In addition, the Company may waive performance of any obligation owing to it other than the market stand-off obligations under Section 1.13 hereof, as to some or all of the Holders, or agree to accept alternatives to such performance, without obtaining the consent of any Holder.

4.4 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing, addressed (a) if to an Investor, as indicated on the List of Investors attached hereto as Schedule A, or at such other address as such Investor shall have furnished to the Company in writing at least ten (10) days prior to any notice to be given hereunder, or (b) if to the Company, at its principal office, Attention: Chief Executive Officer, or at such other address as the Company shall furnish to each Investor in writing at least ten (10) days prior to any notice to be given hereunder. All such notices and other written communications shall be deemed effectively given upon personal delivery to the party to be notified (or upon the date of attempted delivery where delivery is refused) or, when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and it not sent during normal business hours, then on the recipient's next business day, or, if sent by mail, five (5) days after deposit with the United States Postal Service by certified mail, return receipt requested, postage prepaid, or, if sent by air courier, one (1) day after deposit with a next day air courier, with postage and fees prepaid and addressed to the party entitled to such notice. If notice is given to the Company or any Investor, a copy shall also be sent to Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Matthew Guercio.

4.5 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in 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 therefore or thereafter occurring. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

4.6 Severability. Unless otherwise expressly provided herein, a Holder's rights hereunder are several rights, not rights jointly held with any of the other Holders. If any provision of this Agreement is held to be illegal or unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

4.7 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.8 Counterparts; Facsimile Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature shall be deemed to have the same effect as if the original signature had been delivered to the other party.

4.9 Aggregation of Stock. All Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

4.10 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

4.11 Third-Party Beneficiaries. The parties hereto acknowledge and agree that all rights and privileges (including approvals and consents and rights to provide or withhold approval or consent) that may be exercised hereunder by the Investors or some group of Investors or the holders of some requisite percentage or amount of the Shares or Registrable Securities may be exercised by and for the benefit of any member of Insight or Accel, as applicable, and for their own accounts to the same extent as if such member of Insight or Accel, as applicable, were a party hereto (unless otherwise agreed by each such member, as applicable). Notwithstanding anything to the contrary in this Agreement, this Section 4.11 may not be amended or modified without the prior written consent of Insight, as it pertains to Insight, or Accel, as it pertains to Accel.

4.12 Renunciation of Corporate Opportunities. The Company acknowledges that each Accel Director is affiliated with Accel and that each Insight Director is affiliated with the Insight and that each of Accel and Insight and their respective Affiliates are in the business of making investments in, and have investments in, other corporations, general and limited partnerships, joint ventures, limited liability companies and other entities, including other businesses similar to (and that may compete with) the Company's businesses ("**Other Businesses**") and, in connection therewith, may have interests in, participate with, aid and maintain seats on the board of directors of, other such entities. In connection with these activities, a Accel Director or Insight Director may develop opportunities for such other entities and/or encounter business opportunities that the Company may desire to pursue. The Company hereby agrees that any Accel Director and Insight Director, along with Insight and Accel, shall have the unfettered right to make additional investments in or have relationships with other entities or businesses, including Other Businesses, independent of their investments in the Company or roles as a director of the Company. To the fullest extent permitted by applicable law, the Company hereby renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any and all business opportunities that are presented to any Accel Director or Insight Director or to Accel or Insight.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

COMPANY

TENABLE HOLDINGS, INC.

By /s/ Ronald J. Gula
Name: Ronald J. Gula
Title: Chief Executive Officer

Address: 7021 Columbia Gateway Drive, Suite 500
Columbia, MD 21046

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

INVESTORS:

ACCEL GROWTH FUND II L.P.

By: Accel Growth Fund II Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock

Attorney in Fact

**ACCEL GROWTH FUND II STRATEGIC
PARTNERS L.P.**

By: Accel Growth Fund II Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock

Attorney in Fact

**ACCEL GROWTH FUND INVESTORS 2012
L.L.C.**

By: /s/ Tracy L. Sedlock

Attorney in Fact

ACCEL GROWTH FUND III L.P.

By: Accel Growth Fund III Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock

Attorney in Fact

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

**ACCEL GROWTH FUND III STRATEGIC
PARTNERS L.P.**

By: Accel Growth Fund III Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock
Attorney in Fact

ACCEL GROWTH FUND INVESTORS 2014 L.L.C.

By: /s/ Tracy L. Sedlock
Attorney in Fact

ACCEL XI L.P.

By: Accel XI Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock
Attorney in Fact

ACCEL XI STRATEGIC PARTNERS L.P.

By: Accel XI Associates L.L.C.
Its General Partner

By: /s/ Tracy L. Sedlock
Attorney in Fact

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

By: /s/ Tracy L. Sedlock

Attorney in Fact

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

INVESTORS:

INSIGHT VENTURE PARTNERS IX, L.P.

By: Insight Venture Associates IX, L.P., its
General Partner

By: Insight Venture Associates IX, Ltd., its
General Partner

By: /s/ Blair Flicker

Name:

Title:

**INSIGHT VENTURE PARTNERS (CAYMAN) IX,
L.P.**

By: Insight Venture Associates IX, L.P., its
General Partner

By: Insight Venture Associates IX, Ltd., its
General Partner

By: /s/ Blair Flicker

Name:

Title:

**INSIGHT VENTURE PARTNERS (DELAWARE) IX,
L.P.**

By: Insight Venture Associates IX, L.P., its
General Partner

By: Insight Venture Associates IX, Ltd., its
General Partner

By: /s/ Blair Flicker

Name:

Title:

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

**INSIGHT VENTURE PARTNERS IX (CO-
INVESTORS), L.P.**

By: Insight Venture Associates IX, L.P., its
General Partner

By: Insight Venture Associates IX, Ltd., its
General Partner

By: /s/ Blair Flicker

**INSIGHT VENTURE PARTNERS GROWTH-
BUYOUT COINVESTMENT FUND, L.P.**

By: Insight Venture Associates Growth-Buyout
Coinvestment, L.P., its general partner

By: Insight Venture Associates Growth-Buyout
Coinvestment, Ltd., its general partner

By: /s/ Blair Flicker

**INSIGHT VENTURE PARTNERS GROWTH-
BUYOUT COINVESTMENT FUND (CAYMAN), L.P.**

By: Insight Venture Associates Growth-Buyout
Coinvestment, L.P., its general partner

By: Insight Venture Associates Growth-Buyout
Coinvestment, Ltd., its general partner

By: /s/ Blair Flicker

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
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**INSIGHT VENTURE PARTNERS GROWTH-
BUYOUT COINVESTMENT FUND (DELAWARE),
L.P.**

By: Insight Venture Associates Growth-Buyout
Coinvestment, L.P., its general partner

By: Insight Venture Associates Growth-Buyout
Coinvestment, Ltd., its general partner

By: /s/ Blair Flicker

**INSIGHT VENTURE PARTNERS GROWTH-
BUYOUT COINVESTMENT FUND (B), L.P.**

By: Insight Venture Associates Growth-Buyout
Coinvestment, L.P., its general partner

By: Insight Venture Associates Growth-Buyout
Coinvestment, Ltd., its general partner

By: /s/ Blair Flicker

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

/s/ Ronald J. Gula

Ronald J. Gula

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

/s/ Renaud M. Deraison

Renaud M. Deraison

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE THREE SUNS IRREVOCABLE TRUST
DATED MARCH 2, 2012

By /s/ Mary Kathryn Braden Huffard

Name: Mary Kathryn Braden Huffard

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

/s/ Mary Kathryn Braden Huffard
Mary Kathryn Braden Huffard

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE POLISH LILAC TRUST DATED
DECEMBER 27, 2011

By /s/ Cynthia Y. Gula

Name: Cynthia Y. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE RONALD J. GULA 2013 GRANTOR
RETAINED ANNUITY TRUST DATED
NOVEMBER 22, 2013

By /s/ Cynthia Y. Gula

Name: Cynthia Y. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE RONALD J. GULA 2015 GRANTOR
RETAINED ANNUITY TRUST #4 DATED
MARCH 31, 2015

By /s/ Cynthia Y. Gula

Name: Cynthia Y. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE RONALD J. GULA 2012 GRANTOR
RETAINED ANNUITY TRUST

By /s/ Cynthia Y. Gula

Name: Cynthia Y. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE RENAUD DERAISON 2013 GRANTOR
RETAINED ANNUITY TRUST DATED APRIL 5, 2013

By /s/ Renaud Deraison

Name: Renaud Deraison

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE CYNTHIA Y. GULA 2013 GRANTOR
RETAINED ANNUITY TRUST DATED
DECEMBER 11, 2013

By /s/ Ronald J. Gula

Name: Ronald J. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

FOUNDING OWNERS:

THE CYNTHIA Y. GULA 2015 GRANTOR
RETAINED ANNUITY TRUST #2 DATED
MARCH 31, 2015

By /s/ Ronald J. Gula

Name: Ronald J. Gula

Title: Trustee

TENABLE HOLDINGS, INC.
INVESTORS' RIGHTS AGREEMENT
SIGNATURE PAGE

SCHEDULE A

LIST OF INVESTORS (OTHER THAN FOUNDER OWNERS)

Name and Address

Accel Growth Fund II L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Growth Fund II Strategic
Partners L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Growth Fund Investors 2012
L.L.C.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Growth Fund III L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Growth Fund III Strategic
Partners L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Growth Fund Investors 2014,
L.L.C.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel XI L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel XI Strategic Partners L.P.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Accel Investors 2013 L.L.C.
c/o Accel Partners
428 University Avenue
Palo Alto, CA 94301
P: (650) 330-4250
F: (650) 330-0750
Attention: Rich Zamboldi

Insight Venture Partners IX, L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners (Cayman) IX, L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners (Delaware) IX, L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners IX (Co-Investors), L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners Growth-Buyout Coinvestment Fund, L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036

P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners Growth-Buyout Coinvestment Fund (Cayman), L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners Growth-Buyout Coinvestment Fund (Delaware), L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

Insight Venture Partners Growth-Buyout Coinvestment Fund (B), L.P.
1114 Avenue of the Americas, 36th Floor
New York, NY 10036
P: (212) 230-9200
F: (212) 230-9272
Attention: Michael Triplett

TENABLE HOLDINGS, INC.
2016 STOCK INCENTIVE PLAN
(Amended and Restated as of January 18, 2017)
(Amended on February 23, 2017)
(Amended on February 21, 2018)

1. PURPOSE.

The purpose of the Plan is to assist the Company in attracting, retaining, motivating, and rewarding certain key employees, officers, directors, and consultants of the Company Group and promoting the creation of long-term value for stockholders of the Company by closely aligning the interests of such individuals with those of such stockholders. The Plan authorizes the award of Stock-based incentives to Eligible Persons to encourage such persons to expend maximum effort in the creation of stockholder value.

The Plan replaces the Prior Plans for Awards granted on or after the Effective Date. Awards may not be granted under the Prior Plans beginning on the Effective Date, but the adoption and effectiveness of the Plan will not affect the terms or conditions of any outstanding grants under the Prior Plans for Awards prior to the Effective Date. The Plan was originally adopted by the Board on January 18, 2017 (the "Restatement Effective Date"). On February 23, 2017, the Board approved an amendment to the Plan to increase the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 2,000,000 shares. On February 21, 2018, the Board approved an amendment to the Plan to increase the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 3,000,000 shares.

2. DEFINITIONS.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "280G Payments" has the meaning set forth in Section 12 hereof.

(b) "Award" means any Option, Restricted Stock, or other Stock-based award granted under the Plan.

(c) "Award Agreement" means an Option Agreement, a Restricted Stock Agreement, or an agreement governing the grant of any other Stock-based award granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Cause" means, with respect to any Participant and in the absence of an Award Agreement or Participant Agreement otherwise defining Cause, (1) the Participant's conviction of or indictment for any crime (whether or not involving the Company Group) (A) constituting a felony or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of the Participant's duties to the Service Recipient, or otherwise has,

or could reasonably be expected to result in, an adverse impact on the business or reputation of any member of the Company Group; (2) conduct of the Participant, in connection with his or her employment or service, that has resulted, or could reasonably be expected to result, in material injury to the business or reputation of any member of the Company Group; (3) any material violation of the policies of the Service Recipient, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Service Recipient; (4) the Participant's act(s) of gross negligence or willful misconduct in the course of his or her employment or service with the Service Recipient; (5) misappropriation by the Participant of any material assets or any business opportunities of any member of the Company Group; (6) embezzlement or fraud committed by the Participant, at the Participant's direction, or with the Participant's prior actual knowledge; or (7) willful neglect in the performance of the Participant's duties for the Service Recipient or willful or repeated failure or refusal to perform such duties; *provided, however*, that with respect to any Termination for Cause relying on clause (2), (3) or (7) of this sentence, to the extent that such act or acts or failure or failures to act are curable, the Participant shall be given not less than ten (10) days' written notice of the Service Recipient's intention to terminate the Participant for Cause, such notice to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed Termination for Cause is based, and such Termination shall be effective at the expiration of such ten (10) day notice period unless the Committee determines in its sole discretion that the Participant has cured or taken steps designed to result in cure of such act or acts or failure or failures to act that give rise to Cause during such period. If, within ninety (90) days subsequent to the Termination of a Participant for any reason other than by the Service Recipient for Cause, it is discovered that the Participant's employment or service could have been terminated for Cause pursuant to clause (5) or (6) of the immediately preceding sentence, such Participant's employment or service shall, at the discretion of the Committee, be deemed to have been terminated by the Service Recipient for Cause for all purposes under the Plan, and the Participant shall be required to repay to the Company all amounts received by him or her in connection with Awards following such Termination that would have been forfeited under the Plan had such Termination been by the Service Recipient for Cause. In the event that there is an Award Agreement or Participant Agreement otherwise defining Cause, "Cause" shall have the meaning provided in such agreement, and a Termination by the Service Recipient for Cause hereunder shall not be deemed to have occurred unless all applicable notice and cure periods in such Award Agreement or Participant Agreement are complied with.

(f) "Change in Control" means (1) a change in ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Stock to the general public through a registration statement filed with the Securities and Exchange Commission or similar non-United States regulatory agency) whereby any Person or Group directly or indirectly acquires "beneficial ownership" (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition and pursuant to which the Investors cease to own, directly or indirectly, at least fifty percent (50%) of the Company Securities issued to the Investors on or before the Effective Date; or (2) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any Person or Group.

(g) “Code” means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(h) “Committee” means the Board or such committee thereof consisting of two or more individuals appointed by the Board to administer the Plan.

(i) “Company” means Tenable Holdings, Inc., a Delaware corporation.

(j) “Company Group” means the Company, together with each direct or indirect subsidiary of the Company.

(k) “Company Securities” means equity securities of the Company acquired by the Investors from time to time.

(l) “Competitive Activity” means, with respect to any Participant and in the absence of an Award Agreement or Participant Agreement containing covenants relating to competition with the Service Recipient of the Participant, without the prior written consent of the applicable member(s) of the Company Group, engaging in any business activity (whether as a principal, partner, joint venturer, agent, employee, salesperson, consultant, independent contractor, director or officer) with any business or entity that, at any time during the six (6) month period following the Participant’s Termination, provides or seeks to provide, any products or services similar to or related to any products sold or any services provided by the Company Group (including those services or products being researched or developed during Participant’s employment or other service with the Company Group), where such activity would involve the applicable Participant developing, providing, or performing services that are similar to any services that such Participant provided to or performed for the Company Group during his or her employment or other service relationship with the Company Group. If a Participant’s Award Agreement or effective Participant Agreement contains covenants relating to restrictions on competition, engaging in “Competitive Activity” with respect to such Participant shall mean the breach of such restrictive covenants.

(m) “Corporate Event” has the meaning set forth in Section 11(b) hereof.

(n) “Data” has the meaning set forth in Section 21(h) hereof.

(o) “Disability” means, in the absence of an Award Agreement or Participant Agreement otherwise defining Disability, the permanent and total disability of such Participant within the meaning of Section 22(e)(3) of the Code. In the event that there is an Award Agreement or Participant Agreement defining Disability, “Disability” shall have the meaning provided in such agreement, and a Termination by reason of a Disability hereunder shall not be deemed to have occurred unless all applicable notice periods in such Award Agreement or Participant Agreement are complied with.

(p) “Drag-Along Notice” has the meaning set forth in Section 8(b) hereof.

(q) “Drag-Along Right” has the meaning set forth in Section 8(b) hereof.

(r) “Effective Date” means May 13, 2016, the original effective date of the Plan.

(s) “Eligible Person” means (1) each employee of any member of the Company Group, including each such person who may also be a director of any member of the Company Group, (2) each non-employee director of any member of the Company Group, (3) each other natural person who provides substantial services to any member of the Company Group, and (4) any natural person who has been offered employment by any member of the Company Group; *provided*, that such prospective employee may not receive any payment or exercise any right relating to an Award until such person has commenced employment with any member of the Company Group. An employee on an approved leave of absence may be considered as still in the employ of a member of the Company Group for purposes of eligibility for participation in the Plan.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, including rules and regulations thereunder and successor provisions and rules and regulations thereto.

(u) “Excise Tax” has the meaning set forth in Section 12 hereof.

(v) “Expiration Date” means, with respect to any Option, the date upon which the term of such Option expires, as determined under Section 5(b) hereof.

(w) “Fair Market Value” means, as of any date when the Stock is listed on one or more national securities exchanges, the closing price reported on the principal national securities exchange on which such Stock is listed and traded on the date immediately prior to the date of determination, or, if the closing price is not reported on such date, the closing price on the most recent date on which such closing price is reported. If the Stock is not listed on a national securities exchange, the Fair Market Value shall mean the amount determined by the Committee in good faith to be the fair market value per share of Stock. For purposes of determining the Fair Market Value of any Stock Equivalents, the Fair Market Value shall be determined in accordance with the previous two sentences and such value shall be reduced by the applicable exercise or strike price applicable to such Stock Equivalent.

(x) “Incentive Stock Option” means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(y) “Investors” means, collectively, each investment fund managed by or affiliated with either Insight Venture Management, LLC or Accel Management Co. Inc. or any of their respective affiliates.

(z) “IPO” means an initial underwritten public offering of the Company’s equity securities pursuant to an effective Form S-1 or Form F-1 registration statement filed under the Securities Act or similar law or regulation governing the offering and sale of securities in a jurisdiction other than the United States.

(aa) “IPO Date” means the effective date of the registration statement for the IPO.

(bb) “Lock-Up Period” has the meaning set forth in Section 8(a) hereof.

(cc) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(dd) “Notice” has the meaning set forth in Section 8(d) hereof.

(ee) “Option” means a conditional right, granted to a Participant under Section 5 hereof, to purchase Stock at a specified price during a specified time period.

(ff) “Option Agreement” means a written agreement between the Company and a Participant evidencing the terms and conditions of an individual Option grant.

(gg) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(hh) “Participant” means an Eligible Person who has been granted an Award under the Plan or, if applicable, such other person or entity who holds an Award.

(ii) “Participant Agreement” means an employment or services agreement between a Participant and the Service Recipient that describes the terms and conditions of such Participant’s employment or service with the Service Recipient and is effective on the applicable date of grant with respect to any Award.

(jj) “Per Share Drag-Along Purchase Price” has the meaning set forth in Section 8(b)(1) hereof.

(kk) “Permitted Transfer” means any transfer by a Participant of all or any portion of his or her (1) shares of Stock or Stock Equivalents (other than any Incentive Stock Options) to (A) any trust established for the sole benefit of such Participant or such Participant’s spouse or direct lineal descendants, (B) any other entity (including an Individual Retirement Account or similar investment account) in which the direct and beneficial owner of all voting securities of such entity is held by such Participant, (C) such Participant’s heirs, executors, administrators, or personal representatives upon the death, incompetency, or Disability of such Participant, or (D) subject to approval of the Company or a duly authorized officer of any member of the Company Group, to a person or persons who acquire a proprietary interest in shares of Stock or Stock Equivalents pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation Section 1.421-1(b)(2), or (2) Incentive Stock Options, for purposes of Section 5(f) below, to any trust if, under Section 671 of the Code and applicable law, the Participant is considered the sole beneficial owner of the Incentive Stock Options while they are held in the trust.

(ll) “Person or Group” means any “person” (as defined in Section 3(a)(9) of the Exchange Act) or any two or more persons deemed to be one “person” (as used in

Sections 13(d)(3) and 14(d)(2) of the Exchange Act), in each case, other than the Investors, any member of the Company Group, or an employee benefit plan maintained by any member of the Company Group.

(mm) “Plan” means this Tenable Holdings, Inc. 2016 Stock Incentive Plan, as amended from time to time.

(nn) “Prime Rate” means the rate from time to time published in the “Money Rates” section of *The Wall Street Journal* as being the “Prime Rate” (or, if more than one rate is published as the Prime Rate, then the highest of such rates).

(oo) “Prior Plans” means Company’s 2012 Stock Incentive Plan and the Company’s 2002 Stock Incentive Plan.

(pp) “Prohibition Event” has the meaning set forth in Section 9(c) hereof.

(qq) “Qualifying Transaction” means a transaction that results in a change in ownership or effective control of a corporation or in the ownership of a substantial portion of the assets of a corporation, as described in Section 280G(b)(2)(A)(i) of the Code.

(rr) “Repurchase Price” means —

(1) on or following the Termination of a Participant other than by the Service Recipient for Cause, an amount equal to the Fair Market Value of the Stock or Stock Equivalents, as applicable, on the date that the written notice of repurchase is delivered pursuant to Section 9(a) hereof;

(2) on or following the Termination of a Participant by the Service Recipient for Cause, the lesser of (A) the original purchase price paid for such shares of Stock or Stock Equivalents, as applicable (as adjusted for any subsequent changes in the outstanding Stock or in the capital structure of the Company) less any dividends or other distributions or bonus received (or to be received) by the Participant (or any transferee) in respect of the shares of Stock or Stock Equivalents, as applicable (including any cash bonus paid in lieu of an adjustment to an Option) prior to the date of repurchase and (B) the Fair Market Value of the Stock or the Stock Equivalents, as applicable, on the date that the written notice of repurchase is delivered pursuant to Section 9(a) hereof; *provided, however*, that if (x) such Termination occurs after the ten (10) year anniversary of the date of grant of the Award to which the shares of Stock or Stock Equivalents, as applicable, subject to the Repurchase Right relate, and (y) the Award to which the shares of Stock or Stock Equivalents, as applicable, subject to the Repurchase Right relate is intended to qualify as a “stock right” that does not provide for a “deferral of compensation” within the meaning of Section 409A of the Code, the Repurchase Price shall instead be the Fair Market Value of the Stock or Stock Equivalents, as applicable, on the date of repurchase; or

(3) notwithstanding anything contained within clause (1) or (2) above, if a Participant has violated any restrictive covenant to which he or she is subject to with any member of the Company Group, the Repurchase Price shall be the lesser of (A) the

original purchase price paid for such shares of Stock or Stock Equivalents, as applicable (as adjusted for any subsequent changes in the outstanding shares of Stock or in the capital structure of the Company) less any dividends or other distributions or bonus received (or to be received) by the Participant (or any transferee) in respect of the shares of Stock or Stock Equivalents, as applicable (including any cash bonus paid in lieu of an adjustment to an Option) prior to the date of repurchase and (B) the Fair Market Value of the shares of Stock or Stock Equivalents, as applicable, on the date that the written notice of repurchase is delivered pursuant to Section 9(a) hereof.

(ss) "Repurchase Right" has the meaning set forth in Section 9 hereof.

(tt) "Repurchase Right Exercise Period" means the period commencing on the date of Termination of a Participant with the Service Recipient for any reason and ending on the IPO Date.

(uu) "Repurchase Right Lapse Date" means the earlier to occur of (1) the IPO Date and (2) a Change in Control resulting in the listing of the Stock on a national securities exchange.

(vv) "Restricted Stock" means Stock granted to a Participant under Section 6 hereof that is subject to certain restrictions and to a risk of forfeiture, or issued pursuant to the early exercise of Options.

(ww) "Restricted Stock Agreement" means a written agreement between the Company and a Participant evidencing the terms and conditions of an individual Restricted Stock grant.

(xx) "Right of First Refusal" has the meaning set forth in Section 8(d) hereof.

(yy) "Section 280G Approval" means the stockholder approval required pursuant to Section 280G(b)(5)(B) of the Code.

(zz) "Securities Act" means the Securities Act of 1933, as amended from time to time, including rules and regulations thereunder and successor provisions and rules and regulations thereto.

(aaa) "Service Recipient" means, with respect to a Participant holding a given Award, the applicable member of the Company Group by which the Participant is, or following a Termination was most recently, principally employed or to which the Participant provides, or following a Termination was most recently providing, services, as applicable.

(bbb) "Stock" means the Company's common stock, par value \$0.01 per share, and such other securities as may be substituted for such common stock pursuant to Section 11 hereof.

(ccc) "Stock Equivalent" means any shares, warrants, rights, units, calls, options or other securities exchangeable or exercisable for, or convertible into, directly or indirectly, shares of Stock, which, for the avoidance of doubt, includes Options granted pursuant to Section 5 hereof.

(ddd) “Stockholder Representative” has the meaning set forth in Section 8(b) hereof.

(eee) “Subject Shares” has the meaning set forth in Section 8(b) hereof.

(fff) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ggg) “Termination” means the termination of a Participant’s employment or service, as applicable, with the Service Recipient; *provided, however*, that, if so determined by the Committee at the time of any change in status in relation to the Service Recipient (*e.g.*, a Participant ceases to be an employee and begins providing services as a consultant, or vice versa), such change in status will not be deemed to be a Termination hereunder. Notwithstanding anything herein to the contrary, a Participant’s change in status in relation to the Service Recipient (for example, a change from employee to consultant) shall not be deemed a Termination hereunder with respect to any Awards constituting nonqualified deferred compensation subject to Section 409A of the Code that are payable upon a Termination unless such change in status constitutes a “separation from service” within the meaning of Section 409A of the Code. Unless otherwise determined by the Committee, in the event that any Service Recipient ceases to be a member of the Company Group (by reason of sale, divestiture, spin-off, or other similar transaction), each Participant that is employed by or provides services to such Service Recipient shall be deemed to have suffered a Termination hereunder as of the date of the consummation of such transaction, unless the Participant’s employment or service is transferred to another entity that would constitute a Service Recipient immediately following such transaction. For the avoidance of doubt, in the event that a Participant provides notice of his or her intention to resign at a future date, the Service Recipient may, in its sole and absolute discretion, accelerate such date of Termination without changing the characterization of such Termination as a resignation by the Participant.

3. ADMINISTRATION.

(a) Authority of the Committee. Except as otherwise provided below, the Plan shall be administered by the Committee. The Committee shall have full and final authority, in each case subject to and consistent with the provisions of the Plan, to (1) select Eligible Persons to become Participants, (2) grant Awards, (3) determine the type, number of shares of Stock subject to, other terms and conditions of, and all other matters relating to, Awards, (4) prescribe Award Agreements (which need not be identical for each Participant) and rules and regulations for the administration of the Plan, (5) construe and interpret the Plan and Award Agreements and correct defects, supply omissions, and reconcile inconsistencies therein, (6) suspend the right to exercise Awards during any period that the Committee deems appropriate to comply with applicable securities laws, and thereafter extend the exercise period of an Award by an equivalent period of time or such shorter period required by applicable law, including Section 409A of the Code, and (7) make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of the Plan. Any action of

the Committee shall be final, conclusive, and binding on all persons, including, without limitation, each member of the Company Group, Eligible Persons, Participants, and beneficiaries of Participants. For the avoidance of doubt, the Board shall have the authority to take all actions under the Plan that the Committee is permitted to take.

(b) Delegation. To the extent permitted by applicable law, the Committee may delegate to officers or employees of any member of the Company Group, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions under the Plan, including, but not limited to, administrative functions, as the Committee may determine appropriate. The Committee may appoint agents to assist it in administering the Plan. Any actions taken by an officer or employee delegated authority pursuant to this Section 3(b) within the scope of such delegation shall, for all purposes under this Plan, be deemed to be an action taken by the Committee. Notwithstanding the foregoing or any other provision of the Plan to the contrary: (i) any Award granted under the Plan to any Eligible Person who is not an employee of any member of the Company Group (including any non-employee director of any member of the Company Group) must be expressly approved by the Committee; (ii) no officer may grant an Award to himself or herself; and (iii) the Committee may not delegate authority to an officer who is acting solely in the capacity of an officer (and not also as a director of the Company) to determine the Fair Market Value pursuant to Section 2(w) hereof.

(c) Sections 409A and 457A. The Committee shall take into account compliance with Sections 409A and 457A of the Code in connection with any grant of an Award under the Plan, to the extent applicable. Any payments in respect of an Award constituting nonqualified deferred compensation subject to Section 409A of the Code that are payable upon a Termination shall be delayed for such period as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code. On the first business day following the expiration of such period, the Participant shall be paid, in a single lump sum without interest, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule applicable to such Award. While the Awards granted hereunder are intended to be structured in a manner to avoid the imposition of any penalty taxes under Sections 409A and 457A of the Code, in no event whatsoever shall the Company Group be liable for any additional tax, interest, or penalties that may be imposed on a Participant as a result of Section 409A or Section 457A of the Code or any damages for failing to comply with Section 409A or Section 457A of the Code or any similar state or local laws (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A or Section 457A of the Code).

4. **SHARES AVAILABLE UNDER THE PLAN.**

(a) Number of Shares Available for Delivery. Subject to adjustment as provided in Section 11 hereof, the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall be equal to the sum of (1) 14,700,000 plus (2) to the extent that an award outstanding under the Prior Plans as of the Effective Date expires or is canceled, forfeited, settled in cash, or otherwise terminated without a delivery to the grantee of the full number of shares to which the award related, the number of shares that are cancelled, forfeited or undelivered. Shares of Stock delivered under the Plan shall consist of

authorized and unissued shares or previously issued shares of Stock reacquired by the Company on the open market or by private purchase. Notwithstanding any other provision of the Plan to the contrary, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to Incentive Stock Options is 188,232, subject to adjustment as provided in Section 11 hereof.

(b) Share Counting Rules. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double-counting (as, for example, in the case of tandem or substitute Awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award. To the extent that an Award expires or is canceled, forfeited, settled in cash, or otherwise terminated without delivery to the Participant of the full number of shares of Stock to which the Award related, the undelivered shares will again be available for delivery under the Plan. Shares withheld in payment of the exercise price or taxes relating to an Award and shares equal to the number surrendered in payment of any exercise price or taxes relating to an Award shall not be deemed to constitute shares delivered to the Participant and shall be deemed to again be available for delivery under the Plan.

5. **OPTIONS.**

(a) General. Nonstatutory Stock Options may be granted to Eligible Persons, Incentive Stock Options may be granted only to employees of the Company or any Parent or Subsidiary of the Company. Options may be granted in such form and having such terms and conditions as the Committee shall deem appropriate. The provisions of Options shall be set forth in Option Agreements, which agreements need not be identical.

(b) Term. The term of each Option shall be set by the Committee at the time of grant; *provided, however*, that no Option granted hereunder shall be exercisable after, and each Option shall expire, ten (10) years from the date it was granted. In the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns (or is treated as owning under Section 424 of the Code) stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any Parent or Subsidiary of the Company), the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

(c) Exercise Price. The exercise price per share of Stock for each Option shall be set by the Committee at the time of grant; *provided, however*, that if an Option is intended to qualify as a "stock right" that does not provide for a "deferral of compensation" within the meaning of Section 409A of the Code, then the applicable exercise price shall not be less than the Fair Market Value on the date of grant. In addition, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns (or is treated as owning under Section 424 of the Code) stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any Parent or Subsidiary of the Company), the applicable exercise price shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date of grant. Notwithstanding the foregoing provisions of this Section 5(c), Options may be granted with an exercise price of less than one hundred percent (100%) of the Fair Market Value on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(d) Payment for Stock. Payment for shares of Stock acquired pursuant to an Option granted hereunder shall be made in full upon exercise of the Option in a manner approved by the Committee, which may include any of the following payment methods: (1) in immediately available funds in United States dollars, or by certified or bank cashier's check, (2) by delivery of a notice of "net exercise" to the Company, pursuant to which the Participant shall receive the number of shares of Stock underlying the Option so exercised reduced by the number of shares of Stock equal to the aggregate exercise price of the Option divided by the Fair Market Value on the date of exercise, (3) by delivery of shares of Stock having a Fair Market Value equal to the exercise price, or (4) by any other means approved by the Committee. Anything herein to the contrary notwithstanding, if the Committee determines that any form of payment available hereunder would be in violation of Section 402 of the Sarbanes-Oxley Act of 2002, such form of payment shall not be available on or following the date on which the Company (or any of its affiliates) files an initial registration statement for an IPO.

(e) Vesting. Options shall vest and become exercisable in such manner, on such date or dates, or upon the achievement of performance or other conditions, in each case, as may be determined by the Committee and set forth in an Option Agreement; *provided, however*, that notwithstanding any such vesting dates, the Committee may in its sole discretion accelerate the vesting of any Option at any time and for any reason. Unless otherwise specifically determined by the Committee, the vesting of an Option shall occur only while the Participant is employed by or rendering services to the Service Recipient, and all vesting shall cease upon the Termination of a Participant for any reason. Notwithstanding the foregoing, the Committee may provide in the Option Agreement that the Participant may elect to exercise all or a portion of an Option before it has otherwise become exercisable; *provided, however*, that any shares of Stock so purchased shall be Restricted Stock and shall be subject to (x) a repurchase in favor of the Company during a specified restricted period, with the repurchase price equal to the lesser of (i) the original purchase price paid for such Stock and (ii) the Fair Market Value of the Stock at the time of repurchase, and (y) such other restrictions as the Committee deems appropriate.

(f) Transferability of Options. Except in connection with a Permitted Transfer of vested Options, an Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant. To the extent that a Participant wishes to make a Permitted Transfer of vested Options, it shall be a condition of each such Permitted Transfer that (1) the transferee agrees to be bound by the terms of the Plan and the applicable Option Agreement as though no such transfer had taken place, and (2) the Participant has complied with all applicable law in connection with such transfer. The Participant and the transferee shall execute any documents reasonably required by the Committee to effectuate such Permitted Transfer.

(g) Termination of Employment or Service. Except as provided by the Committee in an Option Agreement or otherwise:

(1) In the event of the Termination of a Participant prior to the Expiration Date for any reason other than (A) by the Service Recipient for Cause or

(B) by reason of the Participant's death or Disability, (i) all vesting with respect to such Participant's Options shall cease, (ii) all of such Participant's unvested Options shall terminate as of the date of such Termination, and (iii) each of such Participant's vested Options shall terminate on the earlier of the applicable Expiration Date and the date that is ninety (90) days after the date of such Termination.

(2) In the event of the Termination of a Participant prior to the Expiration Date by reason of such Participant's death or Disability, (A) all vesting with respect to such Participant's Options shall cease, (B) all of such Participant's unvested Options shall terminate as of the date of such Termination, and (C) each of such Participant's vested Options shall terminate on the earlier of the applicable Expiration Date and the date that is twelve (12) months after the date of such Termination. In the event of a Participant's death, such Participant's Options shall remain exercisable by the person or persons to whom a Participant's rights under the Options pass by will or by the applicable laws of descent and distribution until the applicable Expiration Date, but only to the extent that the Options were vested at the time of such Termination.

(3) In the event of the Termination of a Participant prior to the Expiration Date by the Service Recipient for Cause, all of such Participant's Options (whether or not vested) shall immediately terminate as of the date of such Termination.

(h) Incentive Stock Option Limitations. Each Option will be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under the Plan and/or any other stock option plan of the Company or any Parent or Subsidiary of the Company) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 5(h), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the shares will be determined as of the time the Option with respect to such shares is granted, and such calculations will be performed in accordance with Section 422 of the Code. In addition, if an Eligible Person does not remain employed by the Company or any Parent or Subsidiary of the Company at all times from the time an Incentive Stock Option is granted until three months prior to the date of exercise thereof (or such other period as required by applicable law), such Option shall be treated as a Nonstatutory Stock Option. Neither the Company nor the Committee shall have any liability to a Participant or any other party, (1) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (2) for any action or omission by the Committee that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Nonstatutory Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option.

6. RESTRICTED STOCK.

(a) General. Restricted Stock may be granted to Eligible Persons in such form and having such terms and conditions as the Committee shall deem appropriate. The provisions of separate Awards of Restricted Stock shall be set forth in separate Restricted Stock Agreements, which agreements need not be identical. Subject to the restrictions set forth in Section 6(b) hereof, and except as otherwise set forth in the applicable Restricted Stock Agreement, the Participant shall generally have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock. Unless otherwise set forth in a Participant's Restricted Stock Agreement, cash dividends and stock dividends, if any, with respect to the Restricted Stock shall be withheld by the Company for the Participant's account, and shall be subject to forfeiture to the same degree as the shares of Restricted Stock to which such dividends relate. Except as otherwise determined by the Committee, no interest will accrue or be paid on the amount of any cash dividends withheld.

(b) Vesting and Restrictions on Transfer. Restricted Stock shall vest in such manner, on such date or dates, or upon the achievement of performance or other conditions, in each case as may be determined by the Committee and set forth in a Restricted Stock Agreement; *provided, however*, that notwithstanding any such vesting dates, the Committee may in its sole discretion accelerate the vesting of any Award of Restricted Stock at any time and for any reason. Unless otherwise specifically determined by the Committee, the vesting of an Award of Restricted Stock shall occur only while the Participant is employed by or rendering services to the Service Recipient, and all vesting shall cease upon the Termination of a Participant for any reason. In addition to any other restrictions set forth in a Participant's Restricted Stock Agreement, the Participant shall not be permitted to sell, transfer, pledge, or otherwise encumber the Restricted Stock prior to the time the Restricted Stock has vested pursuant to the terms of the Restricted Stock Agreement.

(c) Termination of Employment or Service. Except as provided by the Committee in a Restricted Stock Agreement or otherwise, in the event of the Termination of a Participant for any reason prior to the time that such Participant's Restricted Stock has vested, (i) all vesting with respect to such Participant's Restricted Stock shall cease, and (ii) as soon as practicable following such Termination, the Company shall repurchase from the Participant, and the Participant shall sell, all of such Participant's unvested shares of Restricted Stock at a purchase price equal to the original purchase price paid for the Restricted Stock; provided that, if the original purchase price paid for the Restricted Stock is equal to zero dollars (\$0), such unvested shares of Restricted Stock shall be forfeited to the Company by the Participant for no consideration as of the date of such Termination.

7. OTHER STOCK-BASED AWARDS.

The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based upon, or related to, Stock, as deemed by the Committee to be consistent with the purposes of the Plan. The Committee may also grant Stock as a bonus (whether or not subject to any vesting requirements or other restrictions on transfer), and may grant other awards in lieu of obligations of any member of the Company Group to pay cash or

deliver other property under the Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Committee. The terms and conditions applicable to such Awards shall be determined by the Committee and evidenced by Award Agreements, which agreements need not be identical.

8. RESTRICTIONS ON STOCK; PROXY.

(a) Prohibition on Transfers. Except (1) as otherwise approved by the Committee, (2) pursuant to subsection (b), (c) or (d) of this Section 8, or (3) pursuant to Section 9 hereof, shares of Stock acquired by a Participant pursuant to the issuance, vesting, exercise, or settlement of any Award granted hereunder may not be sold, transferred, hedged, pledged or otherwise disposed of prior to the six (6) month anniversary following the IPO Date (the "Lock-Up Period"). If requested by the underwriters managing any public offering, each Participant shall execute a separate agreement to the foregoing effect. The Company may impose stop-transfer instructions with respect to the Stock (or securities) subject to the foregoing restriction until the end of such Lock-Up Period.

(b) Drag-Along Rights.

(1) If at any time and from time to time, the Investors desire to (A) sell at least a majority of the Company Securities beneficially owned by them to one or more third parties, (B) approve any merger, amalgamation, or consolidation of the Company with or into one or more third parties, or (C) approve any sale of all or substantially all of the Company's assets to one or more third parties, the Investors shall have the right (the "Drag-Along Right"), but not the obligation, to require each Participant (x) in the case of a transfer of the type referred to in clause (A), to sell in such sale, in accordance with the terms set forth herein, an equivalent percentage of such Participant's shares of Stock received in connection with Awards granted hereunder (the "Subject Shares") for the Per Share Drag-Along Purchase Price (as defined below), or (y) in the case of a merger, amalgamation, or consolidation or sale of assets or other transaction, referred to in clause (B) or (C), to vote (or act by written consent with respect to) all of such Participant's Subject Shares in favor of such transaction and to waive any dissenters' rights, appraisal rights, or similar rights that such Participant may have under applicable law. Each Participant agrees to take all steps necessary to enable such Participant to comply with the provisions of this Section 8(b) to facilitate the Investors' exercise of a Drag-Along Right. As used herein, "Per Share Drag-Along Purchase Price" means the same consideration per share of Stock as is received by the Investors with respect to their shares of Company Securities in the proposed transaction, including equivalent rights to receive (when and if paid) a proportionate share of any deferred consideration, earn-out, or escrow funds that may become available to the Investors in connection with such transaction (less, in the case of Options, warrants, or other convertible securities, the exercise or purchase price thereof and less any applicable employment taxes or withholding obligations); *provided, however*, that if the Company Securities include preferred stock of the Company, such per-share price shall be calculated based upon the implied equity value of each share of Stock (less, in the case of Options, warrants, or other convertible securities, the exercise or purchase price thereof) determined by reference to the per-share price being paid for the preferred stock and after giving effect

to all amounts payable to the holders of preferred stock prior and in preference to the Stock pursuant to the liquidation preference provisions of the Company's certificate of incorporation or other applicable organizational documents; *provided, further*, that if the per-share price being paid for such preferred stock includes any rights to receive a proportionate share of any deferred consideration, earn-out, or escrow funds that may become available to the holders of preferred stock in connection with the transaction, such amounts shall be considered when determining the implied equity price of each share of Stock, but any portion of such amount included in the implied equity price of each share of Stock shall not be paid to Participants required to sell Subject Shares pursuant to this Section 8(b) unless and until the portions of such amount included in the price per share being paid for the preferred stock are paid to the holders of the preferred stock and only to the extent that the holders of the preferred stock have received all amounts payable to the holders of preferred stock prior and in preference to the Stock pursuant to the liquidation preference provisions of the Company's certificate of incorporation.

(2) To exercise the rights granted under this Section 8(b), the Investors shall give each Participant a written notice (a "Drag-Along Notice") containing the proposed Per Share Drag-Along Purchase Price with respect to the Subject Shares and the terms of payment and other material terms and conditions of the offer of the proposed transferee(s). Each Participant shall thereafter be obligated to sell his or her Subject Shares to the proposed transferee(s) or vote (or act by written consent with respect to) his or her Subject Shares in favor of the proposed transaction, as the case may be, in accordance with Section 8(b)(1) hereof.

(3) Each Participant shall execute and deliver such instruments of conveyance and transfer and take such other actions, including executing any purchase agreement, merger agreement, amalgamation agreement, consolidation agreement, indemnity agreement, escrow agreement, or related documents, as may be reasonably required by the Investors or the Company in order to carry out the terms and provisions of this Section 8(b). Without limiting the foregoing, in the event that the Investors, in connection with the transaction contemplated by such Drag-Along Right, appoint a stockholder representative (the "Stockholder Representative") under the applicable definitive transaction agreements, each Participant shall, (x) consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Participant's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such transaction and its related service as the representative of the stockholders, and (y) agree to not assert any claim or commence any suit against the Stockholder Representative or any other stockholder with respect to any action or inaction taken or failed to be taken by the Stockholder Representative in connection with its service as the Stockholder Representative, absent fraud or willful misconduct.

(4) Each Participant acknowledges the rights of the Investors to act on behalf of such Participant pursuant to Section 8(b). At the closing of the proposed transaction, each such Participant shall deliver, against receipt of the consideration payable in such transaction, certificates representing the Subject Shares, together with executed stock powers or other instruments of transfer acceptable to the Investors and the transferee of such Subject Shares.

(5) Notwithstanding anything contained in this Section 8(b), in the event that all or a portion of the purchase price for the Subject Shares being purchased consists of securities, and the sale of such securities to a Participant would require either a registration under the Securities Act or the preparation of a disclosure document pursuant to Regulation D under the Securities Act (or any successor regulation) or any similar requirement under similar provision of any state or non-United States securities law, then, at the option of the Investors, such Participants may proportionately receive, in lieu of such securities, the Fair Market Value of some or all of such securities in cash, as determined in good faith by the Board.

(6) The rights provided in this Section 8(b) shall expire upon the IPO Date.

(c) Permitted Transfers. Stock acquired upon issuance, vesting, exercise, or settlement of an Award may be transferred in connection with a Permitted Transfer; *provided, however*, that it shall be a condition of each such Permitted Transfer that (1) the transferee agrees to be bound by the terms of the Plan and the applicable Award Agreement as though no such transfer had taken place, and (2) the Participant has complied with all applicable laws in connection with such transfer. The Participant and the transferee shall execute any documents reasonably required by the Committee to effectuate such Permitted Transfer.

(d) Right of First Refusal. Any shares of Stock acquired by a Participant pursuant to the issuance, vesting, exercise, or settlement of any Award granted hereunder may be sold or transferred prior to the IPO Date, provided that, such shares shall first be offered to the Company as follows (the "Right of First Refusal"):

(1) The Participant shall promptly deliver a notice ("Notice") to the Company stating (i) the Participant's bona fide intention to sell or transfer such shares of Stock, (ii) the number of such shares of Stock to be sold or transferred, and the basic terms and conditions of such sale or transfer, (iii) the price for which the Participant proposes to sell or transfer such shares of Stock, (iv) the name of the proposed purchaser or transferee, and (v) proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable U.S. federal, state or foreign securities laws. The Notice shall be signed by both the Participant and the proposed purchaser or transferee and must constitute a binding commitment subject to the Company's Right of First Refusal as set forth herein.

(2) Within thirty (30) days after receipt of the Notice, the Company may elect to purchase all or any portion of the shares of Stock to which the Notice refers, at the price per share specified in the Notice. If the Company elects not to purchase all or

any portion of the shares of Stock, the Company may assign its right to purchase all or any portion of the shares of Stock. The assignees may elect within thirty (30) days after receipt by the Company of the Notice to purchase all or any portion of the shares of Stock to which the Notice refers, at the price per share of Stock specified in the Notice. An election to purchase shall be made by written notice to the Participant. Payment for shares of Stock purchased pursuant to this Section 8(d) shall be made within thirty (30) days after receipt by the Company of the Notice and, at the option of the Company, may be made by cancellation of all or a portion of outstanding indebtedness, if any, or in cash or both.

(3) If all or any portion of the shares of Stock to which the Notice refers are not elected to be purchased, as provided in Section 8(d)(2), the Participant may sell those shares of Stock to any person named in the Notice at the price specified in the Notice, provided that such sale or transfer complies with Section 8(d)(7) hereof and is consummated within sixty (60) days of the date of said Notice to the Company, and provided, further, that any such sale is made in compliance with applicable U.S. federal, state and foreign securities laws and not in violation of any other contractual restrictions to which the Participant is bound. The third-party purchaser shall be bound by, and shall acquire the shares of Stock subject to, the provisions of this Plan and the applicable Award Agreement as though no such transfer had taken place, including the Company's Drag-Along Rights, Right of First Refusal and Repurchase Right.

(4) Any proposed transfer on terms and conditions different from those set forth in the Notice, as well as any subsequent proposed transfer shall again be subject to the Company's Right of First Refusal and shall require compliance with the procedures described in this Section 8(d).

(5) The Participant agrees to cooperate affirmatively with the Company, to the extent reasonably requested by the Company, to enforce rights and obligations pursuant to this Plan.

(6) Notwithstanding the above, neither the Company nor any assignee of the Company under this Section 8(d) shall have any right under this Section 8(d) at any time subsequent to the IPO Date.

(7) The Company may object to the proposed transfer of the Participant's shares of Stock to a proposed purchaser or transferee for the following reasons: (i) the Participant's sale will be to a direct competitor of the Company or to any of its shareholders; or (ii) the proposed transfer will jeopardize or compromise the Company's position with regard to any existing or proposed agreements or contracts or renewals thereof.

(8) This Section 8(d) shall not apply to any Permitted Transfer.

(e) Grant of Irrevocable Proxy. As a condition of the grant of any Award under the Plan, each Participant shall grant to the Investors, acting jointly, the Participant's irrevocable proxy, and appoint the Investors, or any designee or nominee of the Investors, as the

Participant's attorney-in-fact (with full power of substitution and resubstitution), for and in his or her name, place, and stead, to (1) vote or act by written consent with respect to the Subject Shares (whether or not vested) now or hereafter owned by the Participant (or any transferee), including the right to sign such Participant's name, as a stockholder, to any consent, certificate, or other document relating to the Company that applicable law may require, in connection with any and all matters (other than any amendment to the Plan that would require stockholder approval), including, without limitation, the election of directors and the sale or transfer of any Subject Shares as contemplated by this Section 8, and (2) take any and all action necessary to sell or otherwise transfer any Subject Shares as contemplated by this Section 8. Such proxy shall be coupled with an interest, and the Participant will take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. In the event that any or all provisions of this Section 8(d) are determined to be unenforceable, each Participant shall grant a proxy that, to the fullest extent permitted by applicable law, preserves the intent of and provides the Investors with substantially the same benefits of this Section 8(d). The proxy described in this subsection (d) shall terminate upon the IPO Date.

(f) Stockholders' or Similar Agreement. Except as provided by the Committee in an Award Agreement or otherwise, in the event that a Participant is a party to any stockholders' or similar agreement with the Company and/or the Investors containing similar provisions to those set forth in this Section 8, the provisions of this Section 8 shall continue to apply to such Participant and any shares of Stock acquired pursuant to any Award hereunder, and shall be in addition to, and not in lieu of, the terms and conditions of such stockholders' or similar agreement.

9. **REPURCHASE RIGHTS UPON TERMINATION.**

(a) Company Repurchase Right. If, prior to the Repurchase Right Lapse Date, a Participant undergoes a Termination with the Service Recipient for any reason, then at any time during the Repurchase Right Exercise Period, in addition to any repurchase right or obligation of the Company with respect to unvested shares of Restricted Stock as provided in Section 6 hereof, the Company shall have the right to repurchase the shares of Stock and Stock Equivalents received by the Participant pursuant to Awards granted hereunder at a per-share price equal to the Repurchase Price (the "Repurchase Right"). The Repurchase Right shall be exercisable upon written notice to the Participant indicating the number of shares of Stock and/or Stock Equivalents to be repurchased and the date on which the repurchase is to be effected, such date to be not more than thirty (30) days after the date of such notice; *provided, however*, that except in extraordinary circumstances, as determined by the Committee, the Company shall not exercise the Repurchase Right with respect to Stock acquired pursuant to an Award or Stock Equivalents prior to (1) the six (6) month anniversary of the date an Award not subject to exercise or deferred settlement vests or (2) the six (6) month anniversary of the date an Award that is subject to exercise or deferred settlement is exercised or settled. To the extent not otherwise held in book entry form by the Company, the certificates representing the shares of Stock and/or Stock Equivalents to be repurchased shall be delivered to the Company prior to the close of business on the date specified for the repurchase.

(b) Payment of Repurchase Price.

(1) If the Company exercises the Repurchase Right following the Termination of a Participant other than by the Service Recipient for Cause, the aggregate Repurchase Price shall be paid in a lump sum at the time of repurchase.

(2) If the Company exercises the Repurchase Right following the Termination of a Participant by the Service Recipient for Cause, the Company shall be permitted to issue a promissory note equal to the aggregate Repurchase Price in lieu of a cash payment; *provided, however*, that such promissory note shall have a maturity date that does not exceed three (3) years from the date of such repurchase, shall bear simple interest of not less than the Prime Rate in effect on the date of such repurchase, and shall be payable as to interest in equal monthly installments during the term of the note and as to principal on the maturity date.

(c) Delay of Repurchase. Notwithstanding anything contained in this Section 9 to the contrary, in the event that any repurchase described herein would result in a default under any applicable financing documents of any member of the Company Group, or would otherwise be prohibited by applicable law (as applicable, a "Prohibition Event"), commencement of the applicable Repurchase Right Exercise Period shall be delayed until the Prohibition Event ceases to exist, but in no event shall such delay extend for more than eighteen (18) months. Without limiting the foregoing, at any time prior to the Repurchase Right Lapse Date, the Company shall be permitted to assign the Repurchase Right to the Investors.

(d) Participant Representations. In connection with any repurchase of shares of Stock or Stock Equivalents pursuant to this Section 9, the Company will be entitled to receive customary representations and warranties from the Participant regarding the repurchase of such shares of Stock or Stock Equivalents as may be reasonably requested by the Company, including, but not limited to, the representation that the Participant has good and marketable title to such shares of Stock or Stock Equivalents to be transferred free and clear of all liens, claims, and other encumbrances.

10. COMPETITIVE ACTIVITIES.

Notwithstanding anything contained in the Plan to the contrary and to the extent permitted by applicable law, except as otherwise provided by the Committee in an Award Agreement or otherwise, in the event that a Participant engages in any Competitive Activity during the term of such Participant's employment or service with the Service Recipient or during the six (6) month period following the Termination of such Participant for any reason, the Committee may determine, in its sole discretion, to (a) require all Awards held by such Participant to be immediately forfeited and returned to the Company without additional consideration, (b) require all shares of Stock acquired upon the issuance, vesting, exercise, or settlement of Awards within the twelve (12) month period prior to the date of such Competitive Activity to be immediately forfeited and returned to the Company without additional consideration, and (c) to the extent that such Participant received any profit from the sale of any Stock underlying an Award within the twelve (12) month period prior to the date of such Competitive Activity, require that such Participant promptly repay to the Company any profit received pursuant to such sale.

11. **ADJUSTMENT FOR RECAPITALIZATION, MERGER, ETC.**

(a) Capitalization Adjustments. The aggregate number of shares of Stock that may be delivered in connection with Awards (as set forth in Section 4 hereof), the number of shares of Stock covered by each outstanding Award, and the price per share of Stock underlying each such Award shall be equitably and proportionally adjusted or substituted, as determined by the Committee, as to the number, price, or kind of a share of Stock or other consideration subject to such Awards (1) in the event of changes in the outstanding Stock or in the capital structure of the Company by reason of stock dividends, stock splits, reverse stock splits, recapitalizations, reorganizations, mergers, amalgamations, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the date of grant of any such Award (including any Corporate Event); (2) in connection with any extraordinary dividend declared and paid in respect of shares of Stock, whether payable in the form of cash, stock, or any other form of consideration; or (3) in the event of any change in applicable laws or circumstances that results in or could result in, in either case, as determined by the Committee in its sole discretion, any substantial dilution or enlargement of the rights intended to be granted to, or available for, Participants in the Plan. In no event shall any adjustments be made in connection with the conversion of one or more outstanding shares of preferred stock of the Company into shares of Stock.

(b) Corporate Events. Notwithstanding the foregoing, except as provided by the Committee in an Award Agreement or otherwise, in connection with (1) a merger, amalgamation, or consolidation involving the Company in which the Company is not the surviving corporation, (2) a merger, amalgamation, or consolidation involving the Company in which the Company is the surviving corporation but the holders of shares of Stock receive securities of another corporation or other property or cash, (3) a Change in Control, or (4) the reorganization or liquidation of the Company (each, a “Corporate Event”), the Committee may, in its discretion, provide for any one or more of the following:

(1) The assumption or substitution of any or all Awards in connection with such Corporate Event, in which case the Awards shall be subject to the adjustment set forth in subsection (a) above, and to the extent that such Awards vest subject to the achievement of performance objectives or criteria, such objectives or criteria shall be adjusted appropriately to reflect the Corporate Event;

(2) The acceleration of vesting of any or all Awards, subject to the consummation of such Corporate Event;

(3) The cancellation of any or all Awards (whether vested or unvested) as of the consummation of such Corporate Event, together with the payment to the Participants holding vested Awards (including any Awards that would vest upon the Corporate Event but for such cancellation) so canceled of an amount in respect of cancellation based upon the per-share consideration being paid for the Stock in connection with such Corporate Event, less, in the case of Options and other Awards subject to exercise, the applicable exercise price; *provided, however*, that holders of Options and other Awards subject to exercise shall be entitled to consideration in respect of cancellation of such Awards only if the per-share consideration less the applicable exercise price is greater than zero dollars (\$0), and to the extent that the per-share consideration is less than or equal to the applicable exercise price, such Awards shall be canceled for no consideration;

(4) The cancellation of any or all Options and other Awards subject to exercise (whether vested or unvested) as of the consummation of such Corporate Event; *provided*, that, all Options and other Awards to be so cancelled pursuant to this paragraph (4) shall first become exercisable for a period of at least ten (10) days prior to such Corporate Event, with any exercise during such period of any unvested Options or other Awards to be (A) contingent upon and subject to the occurrence of the Corporate Event, and (B) effectuated by such means as are approved by the Committee; and

(5) The replacement of any or all Awards (other than Awards that are intended to qualify as “stock rights” that do not provide for a “deferral of compensation” within the meaning of Section 409A of the Code) with a cash incentive program that preserves the value of the Awards so replaced (determined as of the consummation of the Corporate Event), with subsequent payment of cash incentives subject to the same vesting conditions as applicable to the Awards so replaced and payment to be made within thirty (30) days of the applicable vesting date.

Payments to holders pursuant to paragraph (3) above shall be made in cash or, in the sole discretion of the Committee, in the form of such other consideration necessary for a Participant to receive property, cash, or securities (or a combination thereof) as such Participant would have been entitled to receive upon the occurrence of the transaction if the Participant had been, immediately prior to such transaction, the holder of the number of shares of Stock covered by the Award at such time (less any applicable exercise price). In addition, in connection with any Corporate Event, prior to any payment or adjustment contemplated under this subsection (b), the Committee may require a Participant to (A) represent and warrant as to the unencumbered title to his or her Awards, (B) bear such Participant’s pro-rata share of any post-closing indemnity obligations and be subject to the same post-closing purchase price adjustments, escrow terms, offset rights, holdback terms, and similar conditions as the other holders of Stock, and (C) deliver customary transfer documentation as reasonably determined by the Committee.

The Committee need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Committee may take different actions with respect to the vested and unvested portions of an Award.

(c) Fractional Shares. Any adjustment provided under this Section 11 may, in the Committee’s discretion, provide for the elimination of any fractional share that might otherwise become subject to an Award.

12. SECTION 280G OF THE CODE; STOCKHOLDER APPROVAL.

Notwithstanding anything herein to the contrary, unless the Section 280G Approval has been obtained, if in connection with a Qualifying Transaction a Participant becomes entitled to benefits under the Plan (including, but not limited to, with respect to any vesting, settlement, or payment of an Award) that would result in a “parachute payment” (as defined in

Section 280G(b)(2) of the Code), after taking into account any other payments in the nature of compensation that a Participant would have a right to receive from the Company and any other “person” (as defined in Section 3(a)(9) of the Exchange Act) that are contingent upon such Qualifying Transaction (collectively, the “280G Payments”) and such 280G Payments will be subject to the tax (the “Excise Tax”) imposed by Section 4999 of the Code, the Company shall pay to the Participant the greatest of the following, whichever gives the Participant the highest net after-tax amount (after taking into account federal, state, local and social security taxes at the maximum marginal rates (including the Excise Tax)): (x) the full value of such 280G Payments or (y) one dollar less than the amount of any 280G Payments that would subject the Participant to the Excise Tax.

Prior to the occurrence of a Qualifying Transaction, the Company shall use its commercially reasonable best efforts to submit to stockholders for Section 280G Approval the acceleration of vesting, settlement, or payments that would not occur pursuant to the previous sentence absent such Section 280G Approval.

13. USE OF PROCEEDS.

The proceeds received from the sale of Stock pursuant to the Plan shall be used for general corporate purposes.

14. RIGHTS AND PRIVILEGES AS A STOCKHOLDER.

Except as otherwise specifically provided in the Plan, no person shall be entitled to the rights and privileges of Stock ownership in respect of shares of Stock that are subject to Awards hereunder until such shares have been issued to that person.

15. EMPLOYMENT OR SERVICE RIGHTS.

No individual shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for the grant of any other Award. Neither the Plan nor any action taken hereunder shall be construed as giving any individual any right to be retained in the employ or service of any member of the Company Group.

16. COMPLIANCE WITH LAWS.

(a) Delivery of shares of Stock. The obligation of the Company to deliver Stock upon issuance, vesting, exercise, or settlement of any Award shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any shares of Stock pursuant to an Award unless such shares have been properly registered for sale with the Securities and Exchange Commission pursuant to the Securities Act (or with a similar non–United States regulatory agency pursuant to a similar law or regulation) or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale or resale under the

Securities Act any of the shares of Stock to be offered or sold under the Plan or any shares of Stock to be issued upon exercise or settlement of Awards. If the shares of Stock offered for sale or sold under the Plan are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such shares and may legend the Stock certificates representing such shares in such manner as it deems advisable to ensure the availability of any such exemption.

(b) Investment Assurances. The Committee may require a Participant, as a condition of exercising or acquiring Stock under any Award, (1) to give written assurances satisfactory to the Committee as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Committee who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (2) to give written assurances satisfactory to the Committee stating that the Participant is acquiring Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative (A) following the IPO Date, or (B) if, as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws.

17. WITHHOLDING OBLIGATIONS.

As a condition to the issuance, vesting, exercise, or settlement of any Award, the Committee may require that a Participant satisfy, through deduction or withholding from any payment of any kind otherwise due to the Participant, or through such other arrangements as are satisfactory to the Committee, the amount of all federal, state, and local income and other taxes of any kind required or permitted to be withheld in connection with such issuance, vesting, exercise, or settlement. The Committee, in its discretion, may permit shares of Stock to be used to satisfy tax withholding requirements, and such shares shall be valued at their Fair Market Value as of the issuance, vesting, exercise, or settlement date of the Award, as applicable; *provided, however*, that the aggregate Fair Market Value of the number of shares of Stock that may be used to satisfy tax withholding requirements may not exceed the minimum statutorily required withholding amount with respect to such Award.

18. AMENDMENT OF THE PLAN OR AWARDS.

(a) Amendment of Plan. The Board may amend the Plan at any time and from time to time.

(b) Amendment of Awards. The Board or the Committee may amend the terms of any one or more Awards at any time and from time to time.

(c) Addenda. The Board may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Eligible Persons, which Awards may contain such terms and conditions as the Board deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which, if so required under

applicable laws, may deviate from the terms and conditions set forth in the Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

(d) Stockholder Approval; No Impairment. Notwithstanding anything herein to the contrary, no amendment to the Plan or any Award shall be effective without stockholder approval to the extent that such approval is required pursuant to applicable law or the applicable rules of each national securities exchange on which the Stock is listed. Additionally, no amendment to the Plan or any Award shall materially and disproportionately impair a Participant's rights under any Award unless the Participant consents in writing (it being understood that no action taken by the Board or the Committee that is expressly permitted under the Plan, including, without limitation, any actions described in Section 11 hereof, shall constitute an amendment to the Plan or an Award for such purpose). Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without an affected Participant's consent, the Board or the Committee may amend the terms of the Plan or any one or more Awards from time to time as necessary to bring such Awards into compliance with applicable law, including, without limitation, Section 409A of the Code.

(e) Repricing of Awards Without Stockholder Approval. The repricing of Awards shall be expressly permitted without stockholder approval. For this purpose, a "repricing" means any of the following (or any other action that has the same effect as any of the following): (1) changing the terms of an Award to lower its exercise price (other than on account of capital adjustments resulting from share splits, etc., as described in Section 11(a) hereof), (2) any other action that is treated as a repricing under generally accepted accounting principles, and (3) repurchasing for cash or canceling an Award in exchange for another Award at a time when its exercise price is greater than the Fair Market Value of the underlying Stock, unless the cancellation and exchange occurs in connection with an event set forth in Section 11(b) hereof.

19. **TERMINATION OR SUSPENSION OF THE PLAN.**

The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the latest to occur of (a) the date the Plan is adopted by the Board, (b) the date the Plan is approved by the Company's stockholders, to the extent applicable, (c) the most recent date on which an increase to the number of shares of Stock reserved for issuance pursuant to Section 4(a) hereof is adopted by the Board, and (d) the most recent date on which an increase to the number of shares of Stock reserved for issuance pursuant to Section 4(a) hereof is approved by the Company's stockholders, to the extent applicable. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated; *provided, however*, that following any suspension or termination of the Plan, the Plan shall remain in effect for the purpose of governing all Awards then outstanding hereunder until such time as all Awards under the Plan have been terminated, forfeited, or otherwise canceled, or earned, exercised, settled, or otherwise paid out in accordance with their terms.

20. EFFECTIVE DATE OF THE PLAN.

The Plan is effective as of the Effective Date.

21. MISCELLANEOUS.

(a) Certificates. Stock acquired pursuant to Awards granted under the Plan may be evidenced in such a manner as the Committee shall determine. If certificates representing Stock are registered in the name of the Participant, the Committee may require that (1) such certificates bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Stock, (2) the Company retain physical possession of the certificates, and (3) the Participant deliver a stock power to the Company, endorsed in blank, relating to the Stock. Notwithstanding the foregoing, unless otherwise determined by the Committee, in its sole discretion, the Stock shall be held in book-entry form rather than delivered to the Participant pending the release of any applicable restrictions.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (*e.g.*, Committee consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (*e.g.*, exercise price, vesting schedule or number of shares of Stock) that are inconsistent with those in the Award Agreement as a result of a clerical error in connection with the preparation of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c) Clawback/Recoupment Policy. Notwithstanding anything contained herein to the contrary, all Awards granted under the Plan shall be subject to any incentive compensation clawback or recoupment policy as may be adopted by the Board in connection with or following an IPO to comply with applicable law or the rules and regulations of the stock exchange to which the Company is subject or which it is reasonably expected to become subject (including for this purpose proposed rules and regulations), as may be amended from time to time. No such policy, adoption, or amendment shall in any event require the prior consent of any Participant. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with any member of the Company Group.

(d) Participants Outside of the United States. The Committee may modify the terms of any Award under the Plan made to or held by a Participant who is then a resident, or is primarily employed or providing services, outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations, and customs of the country in which the Participant is then a resident or primarily employed or providing services, or so that the value and other benefits of the Award to the Participant, as affected by non-United States tax laws and other restrictions applicable as a result of the Participant’s residence, employment, or providing services abroad, shall be comparable to the value of such Award to a Participant who is a resident, or is primarily employed or providing

services, in the United States. An Award may be modified under this Section 21(d) in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation. Additionally, the Committee may adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Eligible Persons who are non-United States nationals or are primarily employed or providing services outside the United States.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any member of the Company Group is reduced (for example, and without limitation, if the Participant is an employee of the Company and the employee has a change in status from a full-time employee to a part-time employee) after the date of grant of any Award to the Participant, the Committee has the right, in its sole discretion, to (i) make a corresponding reduction in the number of shares of Stock subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(g) Non-Exempt Employees. If an Option is granted to an employee of the Company Group in the United States who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option will not be first exercisable for any shares of Stock until at least six (6) months following the date of grant of the Option (although the Option may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (1) if such non-exempt employee of the Company Group dies or suffers a Disability, (2) upon a Corporate Event in which such Option is not assumed, continued, or substituted, (3) upon a Change in Control, or (4) upon the Participant's retirement (as such term may be defined in the applicable Award Agreement or a Participant Agreement, or, if no such definition exists, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this Section 21(g) will apply to all Awards.

(h) Data Privacy. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use, and transfer, in electronic or other form, of personal data as described in this subsection by and among, as applicable, the Company Group for the exclusive purpose of implementing, administering, and managing the Plan and

Awards and the Participant's participation in the Plan. In furtherance of such implementation, administration, and management, the Company Group may hold certain personal information about a Participant, including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), information regarding any securities of the Company Group held by such Participant, and details of all Awards (the "Data"). In addition to transferring the Data amongst themselves as necessary for the purpose of implementation, administration, and management of a Participant's participation in the Plan, each member of the Company Group may transfer the Data to any third parties assisting the Company in the implementation, administration, and management of the Plan and Awards and the Participant's participation in the Plan. Recipients of the Data may be located in the Participant's country or elsewhere, and the Participant's country and any given recipient's country may have different data privacy laws and protections. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the purposes of assisting the Company in the implementation, administration, and management of the Plan and Awards and such Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Plan and Awards and the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant, or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel the Participant's eligibility to participate in the Plan, and, in the Committee's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

(i) No Liability of Committee Members. No member of the Committee (nor any employee or director delegated authority pursuant to Section 3(b) hereof) shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Committee or for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer, or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against all costs and expenses (including counsel fees) and liabilities (including sums paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan, unless arising out of such person's own fraud or willful misconduct; *provided, however*, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's certificate or articles of incorporation or bylaws, each as may be amended from time to time, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(j) Payments Following Accidents or Illness. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to his or her spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(k) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without reference to the principles of conflicts of laws thereof.

(l) Arbitration. All disputes and claims of any nature that a Participant (or such Participant's transferee or estate), the Company or any other member of the Company Group may have arising out of or in any way related to the Plan or any Award Agreement must be submitted solely and exclusively to binding arbitration in accordance with the then-current employment arbitration rules and procedures of the American Arbitration Association (AAA) to be held in Howard County, Maryland. All information regarding the dispute or claim and arbitration proceedings, including any settlement, shall not be disclosed by the Participant or any arbitrator to any third party without the written consent of the Company, except with respect to judicial enforcement of any arbitration award. Any arbitration claim must be brought solely in the Participant's (or such Participant's transferee's or estate's) individual capacity and not as a claimant or class member (or similar capacity) in any purported multiple-claimant, class, collective, representative or similar proceeding, and the arbitrator may not permit joinder of any multiple claimants and their claims without the express written consent of the Company. Any arbitrator selected to adjudicate the claim must be knowledgeable in the industry standards and practices, and, by signing an Award Agreement, each Participant will be deemed to agree that any claims pursuant to the Plan or an Award Agreement is inherently a matter involving interstate commerce and thus, notwithstanding the choice of law provision included herein, the Federal Arbitration Act shall govern the interpretation and enforcement of this arbitration provision. The arbitrator shall not be permitted to award any punitive or similar damages, but may award attorney's fees and expenses to the prevailing party in any arbitration. Any decision by the arbitrator shall be binding on all parties to the arbitration.

(m) Statute of Limitations. A Participant or any other person filing a claim for benefits under the Plan must file the claim within one (1) year of the date the Participant or other person knew or should have known of the facts giving rise to the claim. This one-year statute of limitations will apply in any forum where a Participant or any other person may file a claim and, unless the Company waives the time limits set forth above in its sole discretion, any claim not brought within the time periods specified shall be waived and forever barred.

(n) Funding. No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company be required to maintain separate bank accounts, books, records, or other

evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees and service providers under general law.

(o) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in relying, acting, or failing to act, and shall not be liable for having so relied, acted, or failed to act, in good faith, upon any report made by any independent public accountant of any member of the Company Group and upon any other information furnished in connection with the Plan by any person or persons other than such member.

(p) Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(q) Stockholder Approval. Within the twelve (12) month period following the Restatement Effective Date, the Plan shall be approved by the stockholders of the Company in accordance with the requirements of Section 422 of the Code.

* * *

The Plan was approved by the Board on May 13, 2016.

The Plan was approved by the Company's stockholders on May 17, 2016.

The Plan, as amended and restated, was approved by the Board on January 18, 2017.

On February 23, 2017, the Board approved an amendment to the Plan to increase the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 2,000,000 shares. Such increase is reflected in the 11,700,000 shares set forth in Section 4(a) of the Plan.

The Plan, as amended and restated, and the increase in the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 2,000,000 shares, was approved by the Company's stockholders on March 10, 2017.

On February 21, 2018, the Board approved an amendment to the Plan to increase the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 3,000,000 shares. Such increase is reflected in the 14,700,000 shares set forth in Section 4(a) of the Plan.

The Plan, as amended and restated, and the increase in the number of shares of Stock subject to and reserved for issuance pursuant to the Plan by 3,000,000 shares, was approved by the Company's stockholders on March 13, 2018.

APPENDIX A

TO

TENABLE HOLDINGS, INC. 2016 STOCK INCENTIVE PLAN

**(for California residents only, to the extent required by
California Corporations Code Section 25102(o))**

This Appendix A to the Tenable Holdings, Inc. 2016 Stock Incentive Plan (the "Plan") shall apply only to the Participants who are residents of the State of California and who are receiving an Award under the Plan in reliance on California Corporations Code Section 25102(o) only. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided by this Appendix A. Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by applicable laws, the following terms shall apply to all Awards granted to residents of the State of California, until the earlier to occur of (i) the IPO Date, (ii) such time as the Committee amends this Appendix A or (iii) at such time as the Committee otherwise provides.

(a) The term of each Option shall be stated in the Option Agreement, *provided, however*, that the exercise period shall not be more than one hundred twenty (120) months from the date of grant thereof.

(b) Unless determined otherwise by the Committee, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Committee makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust, or (iv) as permitted by Rule 701 of the Securities Act.

(c) In the event of the Termination of a Participant prior to the Expiration Date for any reason other than (i) by the Service Recipient for Cause or (ii) by reason of the Participant's death or Disability, such Participant may exercise his or her Options within such period of time as specified in the Plan, which period shall not be less than thirty (30) days following the date of such Termination, to the extent that such Options are exercisable on the date of such Termination (but in no event later than the Expiration Date of such Options as set forth in the Award Agreement and/or the Plan).

(d) In the event of the Termination of a Participant prior to the Expiration Date by reason of the Participant's Disability, the Participant may exercise his or her Options within such period of time as specified in the Plan, which period shall not be less than six (6) months following the date of such Termination, to the extent such Options are exercisable on the date of such Termination (but in no event later than the Expiration Date of such Options as set forth in the Award Agreement and/or the Plan).

(e) In the event of the Termination of a Participant prior to the Expiration Date by reason of the Participant's death, any Options held by the Participant as of the date of such Termination may be exercised within such period of time as specified in the Plan, which

period shall not be less than six (6) months following the date of such Termination, to the extent such Options are exercisable on the date of such Termination (but in no event later than the Expiration Date of such Options as set forth in the Award Agreement and/or the Plan) by the person or persons to whom the Participant's rights under such Options pass by will or by the applicable laws of descent and distribution.

(f) No Award shall be granted, nor shall any shares of Stock be issued upon the exercise, vesting or settlement of any Award, to a resident of California more than ten (10) years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the Company's security holders.

(g) The Plan must be approved by a majority of the outstanding securities of the Company entitled to vote by the later of (1) within twelve (12) months before or after the date the Plan is adopted or (2) prior to or within twelve (12) months of the granting of any Option or issuance of any security under the Plan in California. Any Option granted to any person in California that is exercised before security holder approval is obtained and any issuance of securities purchased before security holder approval is obtained must be rescinded if security holder approval is not obtained in the manner described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

(h) In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company, of or on the Company's class of securities subject to the purchase right or underlying an Option, the Committee will make a proportionate adjustment of the number of securities purchasable under an Award and the exercise price thereof under an Option; *provided, however*, that the Committee will make such proportionate adjustments to an Award in the event of or as required by Section 25102(o) of the California Corporations Code to the extent the Company is relying upon the exemption afforded thereby with respect to the Award.

(i) This Appendix A shall be deemed to be part of the Plan and the Committee shall have the authority to amend this Appendix A in accordance with Section 18 of the Plan.

* * *

TENABLE HOLDINGS, INC.
AMENDED AND RESTATED 2016 STOCK INCENTIVE PLAN (“the PLAN”)

IRISH SUPPLEMENT

(Current as at 23 May 2017)

Capitalized terms not explicitly defined in this Irish Supplement but defined in the Plan shall have the same definitions as in the Plan, unless the context otherwise requires.

1. Purpose and Eligibility

The purpose of this supplement to the Plan (the “**Irish Supplement**”) is to enable the Committee to grant awards, including any Option, Restricted Stock, other Stock-based award or any combination of the foregoing, (the “**Award**” or “**Awards**”), to certain employees, directors and contractors of the Company Group who are based in Ireland. The Irish Supplement should be read and construed as one document with the Plan. Awards (which in the case of Options will be unapproved for Irish tax purposes) may only be granted under the Irish Supplement to employees, directors and contractors of the Company Group. Any person to whom an Award has been granted under the Irish Supplement is a “**Participant**” for the purposes of the Plan.

The tax and social security consequences of participating in the Plan are based on complex tax and social security laws, which may be subject to varying interpretations, and the application of such laws may depend, in large part, on the surrounding facts and circumstances. **Therefore, we recommend that the Participant consults with their own tax advisor regularly to determine the consequences of taking or not taking any action concerning their participation in the Plan and to determine how the tax, social security or other laws in Ireland (or elsewhere) apply to their specific situation.**

2. Terms

Awards granted pursuant to the Plan shall be governed by the terms of the Plan, subject to any such amendments set out herein and as are necessary to give effect to Section 1 of the Irish Supplement, and by the terms of the individual Award Agreement entered into between the Company and the Participant. To the extent that there is a conflict between the rules of the Plan and the Irish Supplement, the provisions of the Irish Supplement shall prevail.

3. Taxes

The references in the Plan to “Withholding Obligations” includes any and all taxes, charges, levies and contributions in Ireland or elsewhere, to include, in particular, Universal Social Charge (USC) and Pay Related Social Insurance (PRSI) (“**Taxes**”).

4. Tax Indemnity

4.1 The Participant shall be accountable for any Taxes, which are chargeable on any assessable income deriving from the grant, exercise, purchase, or vesting of, or other dealing in Awards, or Stock issued pursuant to an Award. The Company Group shall not become liable for any Taxes, as a result of the Participant’s participation in the Plan. In respect of such assessable income, the Participant shall indemnify the Company and (at the direction of the Company) any entity of the Company Group, which is or may be treated as the employer of the Participant in respect of the Taxes (the “**Tax Liabilities**”).

4.2 Pursuant to the indemnity referred to in Section 4.1, where necessary, the Participant shall make such arrangements, as the Company Group requires to meet the cost of the Tax Liabilities, including at the direction of the Company any of the following:

- (a) making a cash payment of an appropriate amount to the relevant company whether by cheque, banker’s draft or deduction from salary in time to enable the Company

Group to remit such amount to the Irish Revenue Commissioners before the 14th day following the end of the month in which the event giving rise to the Tax Liabilities occurred; or

- (b) appointing the Company as agent and / or attorney for the sale of sufficient shares of Stock acquired pursuant to the grant, exercise, purchase or vesting of, or other dealing in Awards, or Stock issued pursuant to an Award to cover the Tax Liabilities and authorising the payment to the relevant company of the appropriate amount (including all reasonable fees, commissions and expenses incurred by the relevant company in relation to such sale) out of the net proceeds of sale of the shares of Stock.

5. Employment Rights

- 5.1 The Participant acknowledges that his or her terms of employment shall not be affected in any way by his or her participation in the Plan which shall not form part of such terms (either expressly or impliedly). The Participant acknowledges that his or her participation in the Plan shall be subject at all times to the rules of the Plan as may be amended from time to time (including, but not limited to, any clawback provisions). If on termination of the Participant's employment (whether lawfully, unlawfully, or in breach of contract) he or she loses any rights or benefits under the Plan (including any rights or benefits which he or she would not have lost had his or her employment not been terminated), the Participant hereby acknowledges that he or she shall not be entitled to (and hereby waives) any compensation for the loss of any rights or benefits under the Plan, or any replacement or successor plan.
- 5.2 The Plan is entirely discretionary and may be suspended or terminated by the Board at any time for any reason. Participation in the Plan is entirely discretionary and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards. All determinations with respect to future grants will be at the sole discretion of the Board. Rights under the Plan are not pensionable.

6. Data Protection

- 6.1 The Participant authorises and directs the Company Group to collect, use, disclose, transfer and otherwise process in electronic or other form, any personal data (the "Data") regarding the Participant's employment, the nature of the Participant's salary and benefits and the details of the Participant's participation in the Plan (including but not limited to) the Participant's home address, telephone number, date of birth, personal public service number, salary, nationality, job title, entitlements under an Award, and number of shares of Stock, which were granted, exercised, purchased, vested or dealt with under an Award, or issued pursuant to an Award, to the extent required for the purposes of implementing, administering and managing the Participant's participation in the Plan.
- 6.2 In connection with such purpose, the Company Group may disclose and transfer Data to any entity of the Company Group and to any third party involved with the implementation, administration and management of the Plan, including any requisite transfer to a broker or other third party assisting with the grant, exercise, purchase or vesting of, or dealing with Awards or Stock issued pursuant to an Award, or with whom the Shares may be deposited. Furthermore, the Participant understands that the transfer of Data to such third parties is necessary to facilitate the Participant's participation in the Plan.
- 6.3 The Participant understands that some recipients of Data may be located in countries outside the European Union and that those countries may have data protection laws which do not provide the same level of protection as those in Ireland and other European Union countries. However, in the case of transfer to such non-European Union countries, the Company Group will ensure that Data will be treated with appropriate security measures through the implementation of model clauses or other lawful methods.

6.4 Additional terms regarding data protection are set forth in section 21(h) (Data Privacy) of the Plan. However, to the extent the terms of this section 6 conflict with the terms of section 21(h) of the Plan, the terms of this section 6 shall prevail.

Adopted by the Committee of the Company on
May 23, 2017

OPTION GRANT NOTICE AND AGREEMENT

Tenable Holdings, Inc. (the "Company"), pursuant to its 2016 Stock Incentive Plan, as adopted on May 13, 2016 and amended on January 18, 2017, and as may be further amended from time to time (the "Plan"), hereby grants to the Holder the number of Options set forth below, each Option representing the right to purchase one share of Stock at the applicable Exercise Price (set forth below). The Options are subject to all of the terms and conditions set forth in this Option Grant Notice and Agreement (this "Award Agreement"), as well as all of the terms and conditions of the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Holder:

Date of Grant:

Vesting Commencement Date:

Number of Options:

Exercise Price: \$

Expiration Date:

Type of Option: Nonqualified Stock Option

Vesting Schedule: Provided that the Holder has not undergone a Termination prior to the applicable vesting date, twenty five percent (25%) of the Options shall vest on each twelve (12) month anniversary of the Vesting Commencement Date, rounded down to the nearest whole share; *provided*, that with respect to the last such yearly installment, the number of Options that vest in the installment shall be such that the Holder will be fully vested in the total number of Options listed above as of the applicable yearly anniversary.

Exercise of Options: To exercise vested Options, the Holder (or his or her authorized representative) must give written notice to the Company, using the form of Option Exercise Notice attached hereto as Exhibit A, stating the number of Options which he or she intends to exercise. The Company will issue the shares of Stock with respect to which the Options are exercised upon payment of the shares of Stock acquired in accordance with Section 5(d) of the Plan, which Section 5(d) is incorporated herein by reference and made a part hereof; *provided, however*, that if the Holder wishes to use any method of exercise other than in immediately available funds in United States dollars, or by certified or bank cashier's check, the Holder shall have received the prior written approval of the Committee or its designee approving such method of exercise.

Upon exercise of Options, the Holder will be required to satisfy applicable withholding tax obligations as provided in Section 17 of the Plan.

- Termination:** Section 5(g) of the Plan regarding treatment of Options upon Termination is incorporated herein by reference and made a part hereof. Following any such Termination, shares acquired upon exercise of any Options shall remain subject to Sections 8 and 9 of the Plan.
- Restrictions on Stock:** Stock acquired upon exercise of any Options hereunder shall be subject to the restrictions set forth in Section 8 and 9 of the Plan.
- Voting Proxy:** As a condition of the grant of Options hereunder, the Holder hereby grants to the Investors, acting jointly, the Holder's irrevocable proxy, and appoints the Investors, or any designee or nominee of the Investors, as the Holder's attorney-in-fact (with full power of substitution and resubstitution), for and in its name, place, and stead, to (i) vote or act by written consent with respect to the Subject Shares (whether or not vested) now or hereafter owned by the Holder (or any transferee), including the right to sign the Holder's name, as a stockholder, to any consent, certificate, or other document relating to the Company that applicable law may require, in connection with any and all matters (other than any amendment to the Plan that would require stockholder approval), including, without limitation, the election of directors and the sale or transfer of any Subject Shares as contemplated in Section 8 of the Plan, and (ii) take any and all action necessary to sell or otherwise transfer any Subject Shares as contemplated by Section 8 of the Plan. This proxy shall be coupled with an interest, and the Holder agrees to take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. In the event that any or all provisions of the proxy described hereunder are determined to be unenforceable, the Holder shall grant a proxy that, to the fullest extent permitted by applicable law, preserves the intent of and provides the Investors with substantially the same benefits of the proxy described hereunder. The proxy described hereunder shall terminate upon the IPO Date.
- Non-Interference Agreement:** As a condition of the grant of Options hereunder, the Holder hereby affirms all confidentiality, non-interference, invention assignment or similar covenants previously made by the Holder in favor of the Company Group and acknowledges that such covenants are independent obligations of the Holder (such

covenants, the “Non-Interference Agreement”). The Holder hereby acknowledges and agrees that this Award Agreement and the Non-Interference Agreement will be considered separate contracts, and the Non-Interference Agreement will survive the termination of this Award Agreement for any reason.

Additional Terms:

Options shall be subject to the following additional terms:

- Options shall be exercisable in whole shares of Stock only.
- Each Option shall cease to be exercisable as to any share of Stock when the Holder purchases the share of Stock or when the Option otherwise expires or is forfeited.
- The Stock issued upon the exercise of any Options hereunder shall be registered in the Holder’s name on the books of the Company during the Lock-Up Period and for such additional time as the Committee determines appropriate in its reasonable discretion. Any certificates representing the Stock delivered to the Holder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions as the Committee deems appropriate.
- The Holder shall be the record owner of the Stock issued in respect of the Options, and as record owner shall generally be entitled to all rights of a stockholder with respect to the Stock issued in respect of the Options.
- This Award Agreement does not confer upon the Holder any right to continue as an employee or service provider of the Service Recipient or any other member of the Company Group.
- This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.
- The Holder and the Company acknowledge that the Options are intended to be exempt from Sections 409A and 457A of the Code, with the Exercise Price intended to be at least equal to the Fair Market Value per share of Stock on the Date of Grant. Since the Stock is not traded on an established securities market, the Exercise Price has been based upon the determination of Fair Market Value by the Committee in a manner consistent with the terms of the Plan.

The Holder acknowledges that there is no guarantee that the Internal Revenue Service will agree with this valuation, and agrees not to make any claim against the Company, the Committee, the Company's officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low or that the Options are not otherwise exempt from Section 409A of the Code.

- The Holder agrees that the Company may deliver by email all documents relating to the Plan or the Options (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Holder also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Holder by email or such other reasonable manner as then determined by the Company.
- This Award Agreement and the Plan constitute the entire understanding and agreement of the parties hereto and supersede all prior negotiations, discussions, correspondence, communications, understandings, and agreements (whether oral or written and whether express or implied) between the Company and the Holder relating to the subject matter of this Award Agreement. Without limiting the foregoing, to the extent the Holder has entered into an employment or similar agreement with the Company or any of its affiliates, and the terms noted in such employment or similar agreement are inconsistent with or conflict with this Award Agreement, then the terms of this Award Agreement will supersede and be deemed to amend and modify the inconsistent or conflicting terms set forth in such employment or similar agreement.

**Representations and
Warranties of the**

Holder:

The Holder hereby represents and warrants to the Company that:

- The Holder understands that the Stock has not been registered under the Securities Act, nor qualified under any state securities laws, and that it is being offered and sold pursuant to, and in reliance upon, the exemption from such registration provided by Rule 701 promulgated under the Securities Act for security issuances under compensatory benefit plans such as the Plan;
- The Holder has been informed that the shares of Stock are restricted securities under the Securities Act and may not be resold or transferred unless the shares of Stock are first registered under the federal securities laws or unless an exemption from such registration is available; and
- The Holder is prepared to hold the shares of Stock for an indefinite period and that the Holder is aware that Rule 144 as promulgated under the Securities Act, which exempts certain resales of restricted securities, is not presently available to exempt the resale of the shares of Stock from the registration requirements of the Securities Act.

* * *

THE UNDERSIGNED HOLDER ACKNOWLEDGES RECEIPT OF THIS AWARD AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF OPTIONS UNDER THIS AWARD AGREEMENT, AGREES TO BE BOUND BY THE TERMS OF BOTH THIS AWARD AGREEMENT AND THE PLAN.

TENABLE HOLDINGS, INC.

HOLDER

By: _____
Signature

Signature

Title: _____

Date: _____

[Signature Page to Option Grant Notice and Agreement]

OPTION GRANT NOTICE AND AGREEMENT

Tenable Holdings, Inc. (the "Company"), pursuant to its 2016 Stock Incentive Plan, as adopted on May 13, 2016 and amended on January 18, 2017, and as may be further amended from time to time (the "Plan"), hereby grants to the Holder the number of Options set forth below, each Option representing the right to purchase one share of Stock at the applicable Exercise Price (set forth below). The Options are subject to all of the terms and conditions set forth in this Option Grant Notice and Agreement (this "Award Agreement"), as well as all of the terms and conditions of the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Holder:

Date of Grant:

Vesting Commencement Date:

Number of Options:

Exercise Price: \$

Expiration Date:

Type of Option: Nonqualified Stock Option

Vesting Schedule: Provided that the Holder has not undergone a Termination prior to the applicable vesting date, twenty five percent (25%) of the Options shall vest on each twelve (12) month anniversary of the Vesting Commencement Date, rounded down to the nearest whole share; *provided*, that with respect to the last such yearly installment, the number of Options that vest in the installment shall be such that the Holder will be fully vested in the total number of Options listed above as of the applicable yearly anniversary.

Acceleration: If at any time between the date of a definitive agreement providing for a Change of Control (as defined below) is entered into and the date which is twelve (12) months after the closing of such Change of Control, the Holder is either terminated without Cause (as defined in the Plan) or resigns for Good Reason (as defined below), then the remaining unvested portion of the Option will accelerate and be deemed at such time to be vested in full. If at the time of the Change of Control the Option is not yet 100% vested, and the Option is continued, assumed or a substituted option is granted as permitted by Section 11 of the Plan (collectively a "Continued Option"), then such Continued Option shall become 100% vested if and when provided for under this paragraph, and if there is not a Continued Option, then the property or money which would otherwise be received for the unvested portion of the Option if it had been vested shall be deferred and delivered to the Holder if and when the Holder becomes 100% vested in the Option under this paragraph.

Exercise of Options:

To exercise vested Options, the Holder (or his or her authorized representative) must give written notice to the Company, using the form of Option Exercise Notice attached hereto as Exhibit A, stating the number of Options which he or she intends to exercise. The Company will issue the shares of Stock with respect to which the Options are exercised upon payment of the shares of Stock acquired in accordance with Section 5(d) of the Plan, which Section 5(d) is incorporated herein by reference and made a part hereof; *provided, however*, that if the Holder wishes to use any method of exercise other than in immediately available funds in United States dollars, or by certified or bank cashier's check, the Holder shall have received the prior written approval of the Committee or its designee approving such method of exercise.

Upon exercise of Options, the Holder will be required to satisfy applicable withholding tax obligations as provided in Section 17 of the Plan.

Termination:

Section 5(g) of the Plan regarding treatment of Options upon Termination is incorporated herein by reference and made a part hereof. Following any such Termination, shares acquired upon exercise of any Options shall remain subject to Sections 8 and 9 of the Plan.

Restrictions on Stock:

Stock acquired upon exercise of any Options hereunder shall be subject to the restrictions set forth in Section 8 and 9 of the Plan.

Voting Proxy:

As a condition of the grant of Options hereunder, the Holder hereby grants to the Investors, acting jointly, the Holder's irrevocable proxy, and appoints the Investors, or any designee or nominee of the Investors, as the Holder's attorney-in-fact (with full power of substitution and resubstitution), for and in its name, place, and stead, to (i) vote or act by written consent with respect to the Subject Shares (whether or not vested) now or hereafter owned by the Holder (or any transferee), including the right to sign the Holder's name, as a stockholder, to any consent, certificate, or other document relating to the Company that applicable law may require, in connection with any and all matters (other than any amendment to the Plan that would require stockholder approval), including, without limitation, the election of directors and the sale or transfer of any Subject Shares as contemplated in Section 8 of the Plan, and (ii) take any and all action necessary to sell or otherwise transfer any Subject Shares as contemplated by Section 8 of the Plan.

This proxy shall be coupled with an interest, and the Holder agrees to take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. In the event that any or all provisions of the proxy described hereunder are determined to be unenforceable, the Holder shall grant a proxy that, to the fullest extent permitted by applicable law, preserves the intent of and provides the Investors with substantially the same benefits of the proxy described hereunder. The proxy described hereunder shall terminate upon the IPO Date.

Non-Interference Agreement:

As a condition of the grant of Options hereunder, the Holder hereby affirms all confidentiality, non-interference, invention assignment or similar covenants previously made by the Holder in favor of the Company Group and acknowledges that such covenants are independent obligations of the Holder (such covenants, the "Non-Interference Agreement"). The Holder hereby acknowledges and agrees that this Award Agreement and the Non-Interference Agreement will be considered separate contracts, and the Non-Interference Agreement will survive the termination of this Award Agreement for any reason.

Additional Terms:

Options shall be subject to the following additional terms:

- Options shall be exercisable in whole shares of Stock only.
- Each Option shall cease to be exercisable as to any share of Stock when the Holder purchases the share of Stock or when the Option otherwise expires or is forfeited.
- The Stock issued upon the exercise of any Options hereunder shall be registered in the Holder's name on the books of the Company during the Lock-Up Period and for such additional time as the Committee determines appropriate in its reasonable discretion. Any certificates representing the Stock delivered to the Holder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions as the Committee deems appropriate.

- The Holder shall be the record owner of the Stock issued in respect of the Options, and as record owner shall generally be entitled to all rights of a stockholder with respect to the Stock issued in respect of the Options.
- This Award Agreement does not confer upon the Holder any right to continue as an employee or service provider of the Service Recipient or any other member of the Company Group.
- This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.
- The Holder and the Company acknowledge that the Options are intended to be exempt from Sections 409A and 457A of the Code, with the Exercise Price intended to be at least equal to the Fair Market Value per share of Stock on the Date of Grant. Since the Stock is not traded on an established securities market, the Exercise Price has been based upon the determination of Fair Market Value by the Committee in a manner consistent with the terms of the Plan. The Holder acknowledges that there is no guarantee that the Internal Revenue Service will agree with this valuation, and agrees not to make any claim against the Company, the Committee, the Company's officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low or that the Options are not otherwise exempt from Section 409A of the Code.
- The Holder agrees that the Company may deliver by email all documents relating to the Plan or the Options (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Holder also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Holder by email or such other reasonable manner as then determined by the Company.
- This Award Agreement and the Plan constitute the entire understanding and agreement of the parties hereto and supersede all prior negotiations, discussions, correspondence, communications, understandings, and agreements (whether oral or written and whether express or implied) between the Company and the Holder relating to the subject matter of this Award Agreement.

Without limiting the foregoing, to the extent the Holder has entered into an employment or similar agreement with the Company or any of its affiliates, and the terms noted in such employment or similar agreement are inconsistent with or conflict with this Award Agreement, then the terms of this Award Agreement will supersede and be deemed to amend and modify the inconsistent or conflicting terms set forth in such employment or similar agreement.

- “Change of Control” will mean: (A) one or more individuals, persons, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, corporations, joint ventures, trusts, business trusts, cooperatives, associations, foreign trusts, foreign business organizations or other entities, acting individually or as a group (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) (other than (w) the Company, (x) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (y) the Investors, or (z) a shareholder of the Company as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a “Person”) acquires (other than solely by reason of a repurchase of voting securities by the Company) more than 50% of the combined voting power of the Company’s then total outstanding voting securities; (B) there is consummated a merger or consolidation of the Company with any other corporation or other entity, other than (1) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (meaning that such Person is entitled to the benefits of ownership although such Person does have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 50% or more of the combined voting power of the Company’s then outstanding securities; (C) the consummation of a sale, lease exclusive license or other disposition of all or substantially all of the assets of the Company; or (D) the stockholders of the Company approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of the Company constitute a Change of Control for purposes of this Agreement.

- “Good Reason” is defined as the Holder’s resignation as a result of (A) an involuntary reduction in the Holder’s base salary, other than in a broad based reduction similarly affecting all other members of Company’s executive management, (B) a failure of a successor of the Company to assume the obligations under this Agreement in all material respects, (C) the relocation of the Holder’s principal place of employment more than fifty (50) miles from its current location, without the Holder’s consent, (D) the Company’s failure to comply with its material obligations under this Agreement or under any other written agreement with the Holder, (E) a substantial diminution of the Holder’s duties, authority or responsibilities. Notwithstanding the foregoing, the Holder must provide written notice to the Company within thirty (30) days of learning of the occurrence of an event which constitutes Good Reason or will constitute Good Reason and the Company has thirty (30) days following receipt of such written notice to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, the Holder must resign within sixty (60) days after the end of such thirty (30) day cure period.

**Representations and
Warranties of the Holder:**

The Holder hereby represents and warrants to the Company that:

- The Holder understands that the Stock has not been registered under the Securities Act, nor qualified under any state securities laws, and that it is being offered and sold pursuant to, and in reliance upon, the exemption from such registration provided by Rule 701 promulgated under the Securities Act for security issuances under compensatory benefit plans such as the Plan;

- The Holder has been informed that the shares of Stock are restricted securities under the Securities Act and may not be resold or transferred unless the shares of Stock are first registered under the federal securities laws or unless an exemption from such registration is available; and
- The Holder is prepared to hold the shares of Stock for an indefinite period and that the Holder is aware that Rule 144 as promulgated under the Securities Act, which exempts certain resales of restricted securities, is not presently available to exempt the resale of the shares of Stock from the registration requirements of the Securities Act.

* * *

THE UNDERSIGNED HOLDER ACKNOWLEDGES RECEIPT OF THIS AWARD AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF OPTIONS UNDER THIS AWARD AGREEMENT, AGREES TO BE BOUND BY THE TERMS OF BOTH THIS AWARD AGREEMENT AND THE PLAN.

TENABLE HOLDINGS, INC.

HOLDER

By: _____
Signature

Signature

Title: _____

Date:

[Signature Page to Option Grant Notice and Agreement]

OPTION GRANT NOTICE AND AGREEMENT

Tenable Holdings, Inc. (the "Company"), pursuant to its 2016 Stock Incentive Plan, as adopted on May 13, 2016 and amended on January 18, 2017, and as may be further amended from time to time (the "Plan"), hereby grants to the Holder the number of Options set forth below, each Option representing the right to purchase one share of Stock at the applicable Exercise Price (set forth below). The Options are subject to all of the terms and conditions set forth in this Option Grant Notice and Agreement (this "Award Agreement"), as well as all of the terms and conditions of the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Holder:

Date of Grant:

Vesting Commencement Date:

Number of Options:

Exercise Price: \$

Expiration Date:

Type of Option: Nonqualified Stock Option

Vesting Schedule: Provided that the Holder has not undergone a Termination prior to the applicable vesting date, twenty five percent (25%) of the Options shall vest on each twelve (12) month anniversary of the Vesting Commencement Date, rounded down to the nearest whole share; *provided*, that with respect to the last such yearly installment, the number of Options that vest in the installment shall be such that the Holder will be fully vested in the total number of Options listed above as of the applicable yearly anniversary.

Acceleration: Should you be terminated by the Company without Cause (as defined in the Plan) or should you resign for Good Reason (as defined below) and other than due to death or disability, effective after the first anniversary of the Vesting Commencement Date, and as of the date of your termination the Option has not already become fully vested, you will be credited with an additional vesting percentage equal to 25% multiplied by a fraction, the numerator of which is equal to the number of completed months of Continuous Service elapsed since the preceding anniversary of the Vesting Commencement Date on which additional vesting was

received and the denominator of which is twelve (12). For avoidance of doubt if the effective date of termination without Cause or for Good Reason occurs on an anniversary date of the Vesting Commencement Date, no additional vesting for a partial year will be provided under the preceding sentence. In addition to the foregoing, if at any time between the date of a definitive agreement providing for a Change of Control (as defined below) is entered into and the date which is twelve (12) months after the closing of such Change of Control, the Holder is either terminated without Cause or resigns for Good Reason, then the remaining unvested portion of the Option will accelerate and be deemed at such time to be vested in full. If at the time of the Change of Control the Option is not yet 100% vested, and the Option is continued, assumed or a substituted option is granted as permitted by Section 11 of the Plan (collectively a "Continued Option"), then such Continued Option shall become 100% vested if and when provided for under this paragraph, and if there is not a Continued Option, then the property or money which would otherwise be received for the unvested portion of the Option if it had been vested shall be deferred and delivered to the Holder if and when the Holder becomes 100% vested in the Option under this paragraph.

Exercise of Options:

To exercise vested Options, the Holder (or his or her authorized representative) must give written notice to the Company, using the form of Option Exercise Notice attached hereto as Exhibit A, stating the number of Options which he or she intends to exercise. The Company will issue the shares of Stock with respect to which the Options are exercised upon payment of the shares of Stock acquired in accordance with Section 5(d) of the Plan, which Section 5(d) is incorporated herein by reference and made a part hereof; *provided, however*, that if the Holder wishes to use any method of exercise other than in immediately available funds in United States dollars, or by certified or bank cashier's check, the Holder shall have received the prior written approval of the Committee or its designee approving such method of exercise.

Upon exercise of Options, the Holder will be required to satisfy applicable withholding tax obligations as provided in Section 17 of the Plan.

Termination:

Section 5(g) of the Plan regarding treatment of Options upon Termination is incorporated herein by reference and made a part hereof. Following any such Termination, shares acquired upon exercise of any Options shall remain subject to Sections 8 and 9 of the Plan, except as described in the following paragraph.

Restrictions on Stock:

Stock acquired upon exercise of any Options hereunder shall be subject to the restrictions set forth in Section 8 and 9 of the Plan, except for the Irrevocable Proxy pursuant to Section 8(e) of the Plan. The Repurchase Right pursuant to Section 9 of the Plan will only apply if Holder is terminated for Cause.

Drag Along Rights:

In lieu of the Drag Along Rights specified in Section 8(b) of the Plan, the following will apply. Notwithstanding any provision of this Award Agreement to the contrary, if at any time the Board of Directors approves a sale of the Company, Holder agrees that he or she will consent to and raise no objections against the sale of the Company, and if the sale of the Company is structured as (i) a merger or consolidation of the Company, or a sale of all or substantially all of the assets of the Company, Holder will waive any dissenters' rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) a sale of all or substantially all of the common stock of the Company, Holder agrees to sell all of his or her shares of common stock acquired under the Plan in the sale of the Company, on the terms and conditions approved by the Board of Directors. Holder hereby agrees to take all necessary and desirable actions approved by the Board of Directors in connection with the consummation of the sale of the Company, including voting for, giving written consent to the sale of the Company and executing such agreements and such instruments and completing other actions reasonably necessary to (x) subject to the last sentence of this Section, provide customary representations, warranties, indemnities, and escrow arrangements relating to such sale of the Company and (y) effectuate the allocation and distribution of the aggregate consideration upon the sale of the Company. In connection with such sale of the Company, (1) Holder's representations and warranties shall be limited to ownership and authority to vote and/or transfer the common stock (the "Individual Representations and Warranties"), and (2) except in the case of a breach of Holder's Individual Representations and Warranties, Holder's liability for indemnification obligations in excess of any escrow amounts shall be several (and not joint) and shall not exceed Holder's pro rata portion of the total consideration received by the Company's shareholders in such transaction.

Sale Rights

If at any time prior to the second annual anniversary of the Holder's termination of employment from the Company, one or more members of the Key Shareholder Group shall in the aggregate in a single or related series of transactions sell twenty-five percent (25%) or more of the total number of shares of common stock of the Company held by the Key Shareholder Group ("Liquidity Sale") and the Holder is not offered the opportunity to participate on a pro-rata basis in such Liquidity Sale, then Holder shall have the sale rights provided herein.

The Holder shall be treated as having been offered the opportunity to participate in the Liquidity Sale if the Holder is offered the right to sell his pro-rata share in the Liquidity Sale on the same (or no less favorable) terms and conditions as the selling shareholders of the Key Shareholder Group, the Purchaser is given at least ten (10) days' notice of such opportunity and information regarding the material terms and conditions of the Liquidity Sale, or if a shareholder of the Company with co-sale rights with respect to such Liquidity Sale assigns to Holder the right to exercise such assigning shareholder's co-sale rights and which entitles the Holder to sell his pro-rata share in the Liquidity Sale on the same (or no less favorable) terms and conditions as the selling shareholders of the Key Shareholder Group. The Holder shall be treated as being offered the right to exercise the assigning shareholder's co-sale rights if (i) the Company or such assigning shareholder provides written notice to the Holder as soon as practical after the period for electing to participate in such co-sale becomes known to the Company or assigning shareholder, (ii) such written notice identifies the acquiring party or parties in the Liquidity Sale and sets forth the material terms and conditions of the Liquidity Sale, and (iii) the Holder is provided no less than a fifteen (15) day period to elect to exercise the co-sale rights assigned to the Holder. Holder's pro-rata share shall mean a number of shares of common stock equal to the product obtained by multiplying (i) the number of shares of common stock and outstanding vested stock options for common stock of the Company held by the Holder by (ii) a fraction, the numerator of which is the number of shares of common stock (including shares of common stock issuable upon exercise or conversion of equity securities) being sold by the Key Shareholder Group in the Liquidity Sale and the denominator of which is the total number of shares of common stock (including shares of common stock issuable upon the exercise or conversion of equity securities) by the Key Shareholder Group immediately prior to the Liquidity Sale. If the Holder is not so offered the opportunity to participate on a pro-rata basis in the Liquidity Sale, then the Holder shall have the right for a fifteen (15) day period following the closing of the Liquidity Sale to notify the Company in writing of its intent to sell (the "Sale Notice") and the Company shall have the obligation to purchase from Holder that number of shares of common stock equal to Shareholders pro-rata share. Such purchase shall be at the price and under terms no less favorable to Holder as were provided for in connection with the Liquidity Sale. The Company shall promptly provide notice to Holder of a Liquidity Sale by the Key Shareholder Group pursuant to which Holder is entitled to rights under this paragraph.

The Company shall use commercially reasonable efforts following the receipt of a Sale Notice to remove any impediments, such as loan covenant or other restrictions, which would preclude the Company from completing the purchase under this paragraph. Closing of such purchase shall be made within thirty (30) days after the date the Company receives the Sale Notice. Holder's rights under this paragraph shall, in the event of Holder's death be provided to Holder's heirs or estate which succeed to the Holder's shares of common stock subject to this Agreement. In the event a shareholder shall prior to a sale of shares by the Key Shareholder Group, assign to or otherwise provide to Holder (and Holder's heirs or estate in the event of Holder's death) with a contractual right to exercise the co-sale rights which are available to such shareholder in connection with a future sale by the Key Shareholder Group and which are exercisable upon such events and on such terms and conditions which are no less favorable to Holder (or his heirs or estate as applicable) than provided for in this paragraph, then the sale rights otherwise provided in this paragraph shall terminate. Notwithstanding the above, the Holder's rights under this paragraph shall terminate subsequent to the closing of a public offering of the common stock of the Company pursuant to a registration statement declared effective under the Securities Act.

Non-Interference Agreement:

As a condition of the grant of Options hereunder, the Holder hereby affirms all confidentiality, non-interference, invention assignment or similar covenants previously made by the Holder in favor of the Company Group and acknowledges that such covenants are independent obligations of the Holder (such covenants, the "Non-Interference Agreement"). The Holder hereby acknowledges and agrees that this Award Agreement and the Non-Interference Agreement will be considered separate contracts, and the Non-Interference Agreement will survive the termination of this Award Agreement for any reason.

Additional Terms:

Options shall be subject to the following additional terms:

- Options shall be exercisable in whole shares of Stock only.
- Each Option shall cease to be exercisable as to any share of Stock when the Holder purchases the share of Stock or when the Option otherwise expires or is forfeited.
- The Stock issued upon the exercise of any Options hereunder shall be registered in the Holder's name on the books of the Company during the Lock-Up Period and for such additional time as the Committee determines appropriate in its reasonable discretion.

Any certificates representing the Stock delivered to the Holder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions as the Committee deems appropriate.

- The Holder shall be the record owner of the Stock issued in respect of the Options, and as record owner shall generally be entitled to all rights of a stockholder with respect to the Stock issued in respect of the Options.
- This Award Agreement does not confer upon the Holder any right to continue as an employee or service provider of the Service Recipient or any other member of the Company Group.
- This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.
- The Holder and the Company acknowledge that the Options are intended to be exempt from Sections 409A and 457A of the Code, with the Exercise Price intended to be at least equal to the Fair Market Value per share of Stock on the Date of Grant. Since the Stock is not traded on an established securities market, the Exercise Price has been based upon the determination of Fair Market Value by the Committee in a manner consistent with the terms of the Plan. The Holder acknowledges that there is no guarantee that the Internal Revenue Service will agree with this valuation, and agrees not to make any claim against the Company, the Committee, the Company's officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low or that the Options are not otherwise exempt from Section 409A of the Code.
- The Holder agrees that the Company may deliver by email all documents relating to the Plan or the Options (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission).

The Holder also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Holder by email or such other reasonable manner as then determined by the Company.

- This Award Agreement and the Plan constitute the entire understanding and agreement of the parties hereto and supersede all prior negotiations, discussions, correspondence, communications, understandings, and agreements (whether oral or written and whether express or implied) between the Company and the Holder relating to the subject matter of this Award Agreement. To the extent this Award Agreement conflicts with the terms of the Plan, the terms of this Award Agreement will control as applied to the Option held by the Holder. Without limiting the foregoing, to the extent the Holder has entered into an employment or similar agreement with the Company or any of its affiliates, and the terms noted in such employment or similar agreement are inconsistent with or conflict with this Award Agreement, then the terms of this Award Agreement will supersede and be deemed to amend and modify the inconsistent or conflicting terms set forth in such employment or similar agreement.
- “Affiliate” means any custodian or trustee of any trust, or any partnership, limited liability company or other entity wholly for the benefit of, or the ownership interests of which are owned wholly by, a Key Shareholder and/or any Family Member of a Key Shareholder.
- “Change of Control” will mean: (A) one or more individuals, persons, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, corporations, joint ventures, trusts, business trusts, cooperatives, associations, foreign trusts, foreign business organizations or other entities, acting individually or as a group (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) (other than (w) the Company, (x) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (y) the Investors, or (z) a shareholder of the Company as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a “Person”) acquires (other than solely by reason of a repurchase of voting securities by the Company) more than 50% of the combined voting power of the Company’s then total outstanding voting securities; (B) there is consummated a merger or consolidation of the Company with any other corporation or other entity, other than (1) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (meaning that such Person is entitled to the benefits of ownership although such Person does not have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 50% or more of the combined voting power of the Company’s then outstanding securities; (C) the consummation of a sale, lease exclusive license or other disposition of all or substantially all of the assets of the Company; or (D) the stockholders of the Company approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of the Company constitute a Change of Control for purposes of this Agreement.

- “Family Member” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, domestic partner, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships.
- “Good Reason” is defined as the Holder’s resignation as a result of (A) an involuntary reduction in the Holder’s base salary, other than in a broad based reduction similarly affecting all other members of Company’s executive management, (B) a failure of a successor of the Company to assume the obligations under this Agreement in all material respects, (C) the relocation of the Holder’s principal place of employment more than fifty (50) miles from its current location, without the Holder’s consent, (D) the Company’s failure to comply with its material obligations under this Agreement or under any other written agreement with the Holder, (E) a substantial diminution of the Holder’s duties, authority or responsibilities.

Notwithstanding the foregoing, the Holder must provide written notice to the Company within thirty (30) days of learning of the occurrence of an event which constitutes Good Reason or will constitute Good Reason and the Company has thirty (30) days following receipt of such written notice to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, the Holder must resign within sixty (60) days after the end of such thirty (30) day cure period.

- “Key Shareholder” means Ronald J. Gula, John C. Huffard, Jr., and Renaud M. Deraison.
- “Key Shareholder Group” means the Key Shareholders, their Family Members and Affiliates of the Key Shareholders and/or their Family Members.

**Representations and
Warranties of the Holder:**

The Holder hereby represents and warrants to the Company that:

- The Holder understands that the Stock has not been registered under the Securities Act, nor qualified under any state securities laws, and that it is being offered and sold pursuant to, and in reliance upon, the exemption from such registration provided by Rule 701 promulgated under the Securities Act for security issuances under compensatory benefit plans such as the Plan;
- The Holder has been informed that the shares of Stock are restricted securities under the Securities Act and may not be resold or transferred unless the shares of Stock are first registered under the federal securities laws or unless an exemption from such registration is available; and
- The Holder is prepared to hold the shares of Stock for an indefinite period and that the Holder is aware that Rule 144 as promulgated under the Securities Act, which exempts certain resales of restricted securities, is not presently available to exempt the resale of the shares of Stock from the registration requirements of the Securities Act.

* * *

THE UNDERSIGNED HOLDER ACKNOWLEDGES RECEIPT OF THIS AWARD AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF OPTIONS UNDER THIS AWARD AGREEMENT, AGREES TO BE BOUND BY THE TERMS OF BOTH THIS AWARD AGREEMENT AND THE PLAN.

TENABLE HOLDINGS, INC.

HOLDER

By: _____
Signature

_____ Signature

Title: _____

Date:

[Signature Page to Option Grant Notice and Agreement]

OPTION GRANT NOTICE AND AGREEMENT

Tenable Holdings, Inc. (the "Company"), pursuant to its 2016 Stock Incentive Plan, as adopted on May 13, 2016 and amended on January 18, 2017, and as may be further amended from time to time (the "Plan"), hereby grants to the Holder the number of Options set forth below, each Option representing the right to purchase one share of Stock at the applicable Exercise Price (set forth below). The Options are subject to all of the terms and conditions set forth in this Option Grant Notice and Agreement (this "Award Agreement"), as well as all of the terms and conditions of the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Holder:

Date of Grant:

Vesting Commencement Date:

Number of Options:

Exercise Price: \$

Expiration Date:

Type of Option: Nonqualified Stock Option

Vesting Schedule: Provided that the Holder has not undergone a Termination prior to the applicable vesting date, twenty five percent (25%) of the Options shall vest on each twelve (12) month anniversary of the Vesting Commencement Date, rounded down to the nearest whole share; *provided*, that with respect to the last such yearly installment, the number of Options that vest in the installment shall be such that the Holder will be fully vested in the total number of Options listed above as of the applicable yearly anniversary.

Exercise of Options: To exercise vested Options, the Holder (or his or her authorized representative) must give written notice to the Company, using the form of Option Exercise Notice attached hereto as Exhibit A, stating the number of Options which he or she intends to exercise. The Company will issue the shares of Stock with respect to which the Options are exercised upon payment of the shares of Stock acquired in accordance with Section 5(d) of the Plan, which Section 5(d) is incorporated herein by reference and made a part hereof; *provided, however*, that if the Holder wishes to use any method of exercise other than in immediately available funds in United States dollars, or by certified or bank cashier's check, the Holder shall have received the prior written approval of the Committee or its designee approving such method of exercise.

Upon exercise of Options, the Holder will be required to satisfy applicable withholding tax obligations as provided in Section 17 of the Plan.

Termination:

Section 5(g) of the Plan regarding treatment of Options upon Termination is incorporated herein by reference and made a part hereof. Following any such Termination, shares acquired upon exercise of any Options shall remain subject to Sections 8 and 9 of the Plan.

Restrictions on Stock:

Stock acquired upon exercise of any Options hereunder shall be subject to the restrictions set forth in Section 8 and 9 of the Plan.

Voting Proxy:

As a condition of the grant of Options hereunder, the Holder hereby grants to the Investors, acting jointly, the Holder's irrevocable proxy, and appoints the Investors, or any designee or nominee of the Investors, as the Holder's attorney-in-fact (with full power of substitution and resubstitution), for and in its name, place, and stead, to (i) vote or act by written consent with respect to the Subject Shares (whether or not vested) now or hereafter owned by the Holder (or any transferee), including the right to sign the Holder's name, as a stockholder, to any consent, certificate, or other document relating to the Company that applicable law may require, in connection with any and all matters (other than any amendment to the Plan that would require stockholder approval), including, without limitation, the election of directors and the sale or transfer of any Subject Shares as contemplated in Section 8 of the Plan, and (ii) take any and all action necessary to sell or otherwise transfer any Subject Shares as contemplated by Section 8 of the Plan. This proxy shall be coupled with an interest, and the Holder agrees to take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. In the event that any or all provisions of the proxy described hereunder are determined to be unenforceable, the Holder shall grant a proxy that, to the fullest extent permitted by applicable law, preserves the intent of and provides the Investors with substantially the same benefits of the proxy described hereunder. The proxy described hereunder shall terminate upon the IPO Date.

Non-Interference Agreement:

As a condition of the grant of Options hereunder, the Holder hereby affirms all confidentiality, non-interference, invention assignment or similar covenants previously made by the Holder in favor of the Company Group and acknowledges that such covenants are independent obligations of the Holder (such covenants, the "Non-Interference Agreement").

The Holder hereby acknowledges and agrees that this Award Agreement and the Non-Interference Agreement will be considered separate contracts, and the Non-Interference Agreement will survive the termination of this Award Agreement for any reason.

Additional Terms:

Options shall be subject to the following additional terms:

- Options shall be exercisable in whole shares of Stock only.
- Each Option shall cease to be exercisable as to any share of Stock when the Holder purchases the share of Stock or when the Option otherwise expires or is forfeited.
- The Stock issued upon the exercise of any Options hereunder shall be registered in the Holder's name on the books of the Company during the Lock-Up Period and for such additional time as the Committee determines appropriate in its reasonable discretion. Any certificates representing the Stock delivered to the Holder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions as the Committee deems appropriate.
- The Holder shall be the record owner of the Stock issued in respect of the Options, and as record owner shall generally be entitled to all rights of a stockholder with respect to the Stock issued in respect of the Options.
- This Award Agreement does not confer upon the Holder any right to continue as an employee or service provider of the Service Recipient or any other member of the Company Group.
- This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.
- The Holder and the Company acknowledge that the Options are intended to be exempt from Sections 409A and 457A of the Code, with the Exercise Price intended to be at least equal to the Fair Market Value per share of Stock on the Date of Grant.

Since the Stock is not traded on an established securities market, the Exercise Price has been based upon the determination of Fair Market Value by the Committee in a manner consistent with the terms of the Plan. The Holder acknowledges that there is no guarantee that the Internal Revenue Service will agree with this valuation, and agrees not to make any claim against the Company, the Committee, the Company's officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low or that the Options are not otherwise exempt from Section 409A of the Code.

- The Holder agrees that the Company may deliver by email all documents relating to the Plan or the Options (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Holder also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Holder by email or such other reasonable manner as then determined by the Company.
- This Award Agreement and the Plan constitute the entire understanding and agreement of the parties hereto and supersede all prior negotiations, discussions, correspondence, communications, understandings, and agreements (whether oral or written and whether express or implied) between the Company and the Holder relating to the subject matter of this Award Agreement. Without limiting the foregoing, to the extent the Holder has entered into an employment or similar agreement with the Company or any of its affiliates, and the terms noted in such employment or similar agreement are inconsistent with or conflict with this Award Agreement, then the terms of this Award Agreement will supersede and be deemed to amend and modify the inconsistent or conflicting terms set forth in such employment or similar agreement.

**Representations and
Warranties of the
Holder:**

The Holder hereby represents and warrants to the Company that:

- The Holder understands that the Stock has not been registered under the United States Securities Act of 1933 (the “Securities Act”), nor qualified under any state securities laws, and that it is being offered and sold pursuant to, and in reliance upon, the exemption from such registration provided by Regulation S (Rules 901 through 905 and notes) under the Securities Act for offers and sales of securities made outside the United States. The Stock may not be offered, sold or transferred to a U.S. Person (or for the account or benefit of a U.S. Person) or into the United States, except if such transfer is effected: In a transaction meeting the requirements of Regulation S, pursuant to an effective registration under the Securities Act; or pursuant to an exemption from the registration requirements of the Securities Act that has been opined applicable by U.S. counsel on whose determination the Company can rely. No hedging transactions may be conducted in connection with the Stock, unless in compliance with the Securities Act. For this purpose, a “U.S. Person” is defined by reference to Regulation S under the Securities Act, including but not limited to any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States and any account held by a dealer or fiduciary for the benefit of a U.S. Person;
- The Holder has been informed that the shares of Stock are restricted securities under the Securities Act and may not be resold or transferred unless the shares of Stock are first registered under the federal securities laws or unless an exemption from such registration is available; and
- The Holder is prepared to hold the shares of Stock for an indefinite period and that the Holder is aware that Rule 144 as promulgated under the Securities Act, which exempts certain resales of restricted securities, is not presently available to exempt the resale of the shares of Stock from the registration requirements of the Securities Act.

* * *

THE UNDERSIGNED HOLDER ACKNOWLEDGES RECEIPT OF THIS AWARD AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF OPTIONS UNDER THIS AWARD AGREEMENT, AGREES TO BE BOUND BY THE TERMS OF BOTH THIS AWARD AGREEMENT AND THE PLAN.

TENABLE HOLDINGS, INC.

HOLDER

By: _____
Signature

Signature

Title: _____

Date:

[Signature Page to Option Grant Notice and Agreement]

Tenable Holdings, Inc.
7021 Columbia Gateway Drive, Ste 500
Columbia, MD 21046
Attn: Legal Department

Re: Notice of Exercise

1. By delivery of this Notice of Exercise, I am irrevocably electing to exercise options to purchase shares of common stock, par value \$0.01 per share ("Shares") of Tenable Holdings, Inc. (the "Company") granted to me under the Company's 2016 Stock Incentive Plan (the "Plan").
2. The number of Shares I wish to purchase by exercising my options is .
3. The applicable purchase price (or exercise price) is \$ per Share, resulting in an aggregate purchase price of \$ (the "Aggregate Purchase Price").
4. I am satisfying my obligation to pay the Aggregate Purchase Price by delivering to the Company, with this Notice of Exercise, an amount equal to the Aggregate Purchase Price in immediately available United States dollars, or by certified or bank cashier's check.
5. To satisfy the applicable withholding taxes, I have enclosed an amount equal to the applicable withholding taxes in immediately available United States dollars, or by certified or bank cashier's check.
6. I hereby agree to be bound by all of the terms and conditions set forth in the Plan and any award agreement to which the options were granted under. If I am not the person to whom the options were granted by the Company, proof of my right to purchase the Shares of the Company is enclosed.
7. I have been advised to consult with any legal, tax or financial advisors I have chosen in connection with the purchase of the Shares.

[Signature Page Follows]

Dated:

* _____

(Optionee's signature)

(Additional signature, if necessary)

(Print name)

(Print name)

(Full address)

(Full address)

* Each person in whose name Shares are to be registered must sign this Notice of Exercise. (If more than one name is listed, specify whether the owners will hold the Shares as community property or as joint tenants with the right of survivorship).

RESTRICTED STOCK GRANT NOTICE AND AGREEMENT

Tenable Holdings, Inc. (the "Company"), pursuant to its 2016 Stock Incentive Plan, as adopted on May 13, 2016, as amended on January 18, 2017, and as further amended and amended and restated from time to time (the "Plan"), hereby grants to the Holder the number of shares of Restricted Stock set forth below. The shares of Restricted Stock are subject to all of the terms and conditions set forth in this Restricted Stock Grant Notice and Agreement (this "Award Agreement"), as well as all of the terms and conditions of the Plan, all of which are incorporated herein in their entirety. The shares of Restricted Stock granted hereby are in satisfaction of the obligation to grant the Holder equity under his employment letter with the Company, dated October 23, 2016, as may be amended, restated or otherwise modified from time to time (the "Employment Letter"). Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

Holder:

Date of Grant:

Vesting Commencement Date:

Number of Shares of Restricted Stock:

Vesting Schedule:

Provided that the Holder has not undergone a Termination prior to the applicable vesting date, and except as otherwise provided herein, twenty-five percent (25%) of the shares of Restricted Stock shall vest on the twelve (12) month anniversary of the Vesting Commencement Date, and the remainder shall vest in substantially equal quarterly installments, rounded down to the nearest whole share, on each quarterly anniversary of the Vesting Commencement Date for a period of twelve (12) quarters thereafter; *provided*, that with respect to the last such quarterly installment, the number of shares of Restricted Stock that vest in the installment shall be such that the Holder will be fully vested in the total number of shares of Restricted Stock listed above as of the fourth anniversary of the Vesting Commencement Date.

Acceleration:

Notwithstanding the foregoing, (A) if the Holder's employment or service with the Service Recipient is terminated by the Service Recipient (other than for Cause (as defined in the Employment Letter)) or on account of the Holder's death or Disability or by the Holder for Good Reason (as defined in the Employment Letter) at any time following the first anniversary of the Vesting Commencement Date, and if as of the effective date of the Termination the Restricted Stock has not already become fully

vested, Holder shall be credited with an additional vesting percentage equal to the product of 6.25% multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service with the Service Recipient that have elapsed since the quarterly anniversary of the Vesting Commencement Date and the denominator of which is three (3), subject to the Holder's execution of the Company's standard form of release agreement not later than forty-five (45) days following the effective date of such Termination (in which the Holder releases any and all known and unknown claims the Holder may have against the Company Group and its affiliates); and (B) if the Holder's employment or service with the Service Recipient is terminated by the Service Recipient (other than for Cause) or on account of the Holder's death or Disability or by the Holder for Good Reason during the twelve (12) months following the consummation of a Change in Control (as defined in the Employment Letter), any Restricted Stock that has not previously vested shall vest immediately as of the effective date of such Termination, provided, that if the Holder's employment with the Service Recipient is terminated by the Service Recipient (other than for Cause) or on account of Holder's death or Disability or by the Holder for Good Reason, any then-unvested Restricted Stock shall remain outstanding but will not vest and will be repurchased in accordance with Section 6(c) of the Plan on the ninety (90) day anniversary of such Termination unless the Company enters into a definitive agreement providing for a Change in Control within such ninety (90) day period, in which case such Restricted Stock shall immediately accelerate and become vested as of the Change in Control, in each case, subject to the Holder's execution of the Company's standard form of release agreement not later than forty-five (45) days following the Holder's Termination (in which the Holder releases any and all known and unknown claims the Holder may have against the Company Group and its affiliates). For avoidance of doubt and with respect to any vesting acceleration under clause (A) above, if the effective date of a Termination without Cause or for Good Reason occurs before the first anniversary date of the Vesting Commencement Date, no additional vesting for a partial year will be provided under clause (A) of the preceding sentence.

Termination:

Section 6(c) of the Plan regarding treatment of Restricted Stock upon Termination is incorporated herein by reference and made a part hereof. Following any such Termination, the provisions of Sections 8 of the Plan shall apply to all shares of Restricted Stock that have vested on or prior to such Termination, except as provided in the following paragraph.

Restrictions on Stock:

Stock acquired hereunder shall be subject to the restrictions set forth in Sections 8 of the Plan; provided, that Section 8(e) of the Plan shall not apply to the Stock acquired hereunder.

Adjustment of Shares:

Subject to the provisions of the Articles of Incorporation of the Company, if (a) there is any stock dividend or liquidating dividend of cash and/or property, stock split or other change in the character or amount of any of the outstanding securities of the Company, or (b) there is any consolidation, merger or sale of all or substantially all of the assets of the Company, then, in such event, any and all new, substituted or additional securities or other cash or property to which Holder is entitled by reason of Holder's ownership of shares of Stock acquired hereunder shall be immediately subject to the terms of this Award Agreement, with the same force and effect as the shares of Stock subject to such provisions. Appropriate adjustments shall be made to the number and/or class of shares subject to the terms of this Award Agreement to reflect the exchange or distribution of such securities. In the event of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, the Company's rights may be exercised by the Company's successor.

Drag-Along Rights:

In lieu of the Drag-Along Rights specified in Section 8(b) of the Plan, the following will apply to the shares of Stock acquired hereunder. Notwithstanding any provision of this Award Agreement to the contrary, if at any time the Board approves a sale of the Company, Holder agrees that he or she will consent to and raise no objections against the sale of the Company, and if the sale of the Company is structured as (i) a merger or consolidation of the Company, or a sale of all or substantially all of the assets of the Company, Holder will waive any dissenters' rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) a sale of all or substantially all of the Stock of the Company, Holder agrees to sell all of his shares of Stock acquired under the Plan in the sale of the Company, on the terms and conditions approved by the Board. Holder hereby agrees to take all necessary and desirable actions approved by the Board in connection with the consummation of the sale of the Company, including voting for, giving written consent to the sale of the Company and executing such agreements and such instruments and completing other actions reasonably necessary to (x) subject to the last sentence of this paragraph, provide customary representations, warranties, indemnities, and escrow arrangements relating to such sale of the Company and (y) effectuate the allocation and distribution of the aggregate consideration upon the sale of the Company. In connection with such sale of the Company, (1) Holder's representations and warranties shall be limited to ownership and authority to vote and/or transfer the shares of Stock

(the “Individual Representations and Warranties”), and (2) except in the case of a breach of Holder’s Individual Representations and Warranties, Holder’s liability for indemnification obligations in excess of any escrow amounts shall be several (and not joint) and shall not exceed Holder’s pro-rata portion of the total consideration received by the Company’s shareholders in such transaction.

Non-Interference Agreement:

As a condition of the grant of Restricted Stock hereunder, the Holder hereby affirms the confidentiality, invention assignment, non-solicit and non-competition covenants previously made by the Holder in favor of the Company Group pursuant to that certain Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement entered into by and between the Service Recipient and the Holder dated as of January 2, 2017 and acknowledges that such covenants are independent obligations of the Holder (such covenants, the “Non-Interference Agreement”). The Holder hereby acknowledges and agrees that this Award Agreement and the Non-Interference Agreement will be considered separate contracts, and the Non-Interference Agreement will survive the termination of this Award Agreement for any reason.

Golden Parachute Considerations:

Section 6 of the Employment Letter shall apply to the shares of Restricted Stock granted pursuant to this Award Agreement instead of Section 12 of the Plan.

Additional Terms:

The shares of Restricted Stock shall be subject to the following additional terms:

- Section 9, Section 10 and the penultimate sentence of Section 21(h) of the Plan shall not apply to this Award Agreement.
- The shares of Restricted Stock granted hereunder shall be registered in the Holder’s name on the books of the Company during the Lock-Up Period and for such additional time as the Committee determines appropriate in its reasonable discretion. Any certificates representing the vested shares of Restricted Stock delivered to the Holder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, and any applicable federal or state laws, and the Committee may cause a

- legend or legends to be put on any such certificates to make appropriate reference to such restrictions as the Committee deems appropriate.
- The Holder shall be the record owner of the shares of Restricted Stock until or unless such shares of Restricted Stock are forfeited or repurchased, or otherwise sold or transferred in accordance with the terms of the Plan, and as record owner shall generally be entitled to all rights of a stockholder with respect to the shares of Restricted Stock; *provided, however*, that the Company will retain custody of all dividends and distributions, if any ("Retained Distributions") made or declared on the shares of Restricted Stock (and such Retained Distributions shall be subject to forfeiture and the same restrictions, terms and vesting and other conditions as are applicable to the shares of Restricted Stock) until such time, if ever, as the shares of Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account. As soon as practicable following each applicable vesting date any applicable Retained Distributions shall be delivered to the Holder.
- Upon vesting of the shares of Restricted Stock (or such other time that the shares of Restricted Stock are taken into income), the Holder will be required to satisfy applicable withholding tax obligations, if any, as provided in the Plan.
- This Award Agreement does not confer upon the Holder any right to continue as an employee or service provider of the Service Recipient or any other member of the Company Group.
- This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.
- The Holder agrees that the Company may deliver by email all documents relating to the Plan or the shares of Restricted Stock (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Holder also agrees that the Company may deliver these documents by

posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Holder by email or such other reasonable manner as then determined by the Company.

- This Award Agreement, the Employment Letter and the Plan constitute the entire understanding and agreement of the parties hereto and supersede all prior negotiations, discussions, correspondence, communications, understandings, and agreements (whether oral or written and whether express or implied) between the Company and the Holder relating to the subject matter of this Award Agreement. To the extent this Award Agreement conflicts with the terms of the Plan, the terms of this Award Agreement will control as applied to the Restricted Stock. Without limiting the foregoing, to the extent the Holder has entered into an employment or similar agreement with the Company or any of its affiliates, and the terms noted in such employment or similar agreement are inconsistent with or conflict with this Award Agreement, then the terms of this Award Agreement will supersede and be deemed to amend and modify the inconsistent or conflicting terms set forth in such employment or similar agreement.

Representations and Warranties of the Holder:

The Holder hereby represents and warrants to the Company that:

- The Holder understands that the Stock has not been registered under the Securities Act, nor qualified under any state securities laws, and that it is being offered and sold pursuant to an exemption from such registration and qualification based in part upon the Holder's representations contained herein; the Stock is being issued to the Holder hereunder in reliance upon the exemption from such registration provided by Section 4(a)(2) of the Securities Act for transactions by an issuer not involving any public offering, and in connection therewith, the Holder acknowledges the Holder's status as an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act;
- The Holder is an "accredited investor" as such term is defined in Rule 501(a) of the Securities Act and has such knowledge and experience in financial and business matters that the Holder is capable of evaluating the merits and risks

of the investment contemplated by this Award Agreement; and the Holder is able to bear the economic risk of this investment in the Company (including a complete loss of this investment);

- Except as specifically provided herein or in the Plan, the Holder has no contract, undertaking, understanding, agreement or arrangement, formal or informal, with any person to sell, transfer or pledge all or any portion of his, her or its Stock, and has no current plans to enter into any such contract, undertaking, understanding, agreement or arrangement;
- The Holder has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation as to the Company's sale to the Holder of his, her or its Stock;
- The Holder is familiar with the business and operations of the Company and has been afforded an opportunity to ask such questions of the Company's agents, accountants and other representatives concerning the Company's proposed business, operations, financial condition, assets, liabilities and other relevant matters as he has deemed necessary or desirable, in order to evaluate the merits and risks of the investment contemplated herein;
- The Holder has been informed that the shares of Stock are restricted securities under the Securities Act and may not be resold or transferred unless the shares of Stock are first registered under the federal securities laws or unless an exemption from such registration is available; and
- The Holder is prepared to hold the shares of Stock for an indefinite period and that the Holder is aware that Rule 144 as promulgated under the Securities Act, which exempts certain resales of restricted securities, is not presently available to exempt the resale of the shares of Stock from the registration requirements of the Securities Act.

* * *

THE UNDERSIGNED HOLDER ACKNOWLEDGES RECEIPT OF THIS AWARD AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNDER THIS AWARD AGREEMENT, AGREES TO BE BOUND BY THE TERMS OF BOTH THIS AWARD AGREEMENT AND THE PLAN.

TENABLE HOLDINGS, INC.

HOLDER

By: _____
Signature

Signature

Title: _____

Date:

Date: _____

AMENDED AND RESTATED
TENABLE HOLDINGS, INC.
2012 STOCK INCENTIVE PLAN

1. PURPOSE

The Amended and Restated Tenable Holdings, Inc. 2012 Stock Incentive Plan is intended to promote the best interests of Tenable Holdings, Inc. and its stockholders by (i) assisting the Corporation and its Affiliates in the recruitment and retention of persons with ability and initiative, (ii) providing an incentive to such persons to contribute to the growth and success of the Corporation's businesses by affording such persons equity participation in the Corporation and (iii) associating the interests of such persons with those of the Corporation and its affiliates and stockholders.

If so provided in a Stock Option Agreement or Stock Award Agreement, an award of Options and the award or sale of shares of Common Stock under the Plan is intended to be exempt from the securities qualification requirements of the California Corporations Code by satisfying the exemption under Section 25102(o) of the California Corporations Code. However, awards of Options and the awards or sales of Shares may be made in reliance upon other state securities law exemptions. To the extent that such other exemptions are relied upon, the terms of this Plan which are included only to comply with Section 25102(o) shall be disregarded except to the extent provided in the Stock Option Agreement or Stock Award Agreement.

This Plan was originally adopted by Tenable Network Security, Inc. on August 27, 2012 and terminated on December 18, 2015, except that outstanding Options and Stock Awards that were granted under the Plan prior to its termination continue to be administered under the terms of the Plan until the Options and Stock Awards terminate or are exercised. The Plan was assumed in its entirety by the Corporation pursuant to a Transfer, Assumption of and Amendment Agreement, dated December 18, 2015. The Plan was then amended and restated in its present form on December 18, 2015 (the "Restatement Date") pursuant to resolutions by the Board on such date to reflect the assumption of the sponsorship of the Plan and all Options then outstanding thereunder by the Corporation and the terms of the Plan as amended and restated herein shall apply to all Options granted to any Eligible Person under the Plan prior to the Restatement Date. No additional awards may be granted under the Plan.

2. DEFINITIONS

As used in this Plan the following definitions shall apply:

A. "Affiliate" means (i) any Subsidiary, (ii) any Parent, (iii) any entity (including, without limitation, a corporation, partnership or limited liability company) which is directly or indirectly controlled fifty percent (50%) or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Corporation or one of its Affiliates, (iv) any entity (including, without limitation, a corporation, partnership or limited liability company) which directly or indirectly controls fifty percent (50%) or more (whether by ownership of stock, assets or equivalent ownership interest or voting interest) of the Corporation or one of its Affiliates, and (v) any other entity in which the Corporation or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee. However, for purposes of granting Options or Stock Appreciation Rights, an entity shall not be treated as an Affiliate unless the Corporation holds a "controlling interest" in such entity, where the term "controlling interest" has the meaning provided in Treasury Regulation Section 1.414(c)-2(b)(2)(i), provided that the language "at least 50 percent" is used instead of "at least 80 percent" in Treasury Regulation Section 1.414(c)-2(b)(2)(i), and, provided further, that where the granting to such Participant of Options or Share Appreciation Rights with respect to the Common Stock is based upon a legitimate business criteria, the language "at least 20 percent" is used instead of "at least 80 percent" each place it appears in Treasury Regulations Section 1.414(c)-2(b)(2)(i).

B. "Board" means the Board of Directors of the Corporation.

C. "Cause" means (i) in the case where the Participant does not have an employment, consulting or similar agreement in effect with the Corporation or its Affiliate at the time of grant of the Option or Stock Award or where there is such an agreement but it does not define "cause" (or words of like import), conduct related to the Participant's service to the Corporation or an Affiliate for which either criminal or civil penalties against the Participant may be sought, misconduct, insubordination, material violation of Corporation or its Affiliate's policies, disclosing or misusing any confidential information or material concerning the Corporation or any Affiliate or material breach of any employment, consulting agreement or similar agreement, or (ii) in the case where the Participant has an employment agreement, consulting agreement or similar agreement in effect with the Corporation or its Affiliate at the time of grant of the Option or Stock Award that defines a termination for "cause" (or words of like import), "cause" as defined in such agreement; provided, however, that with regard to any agreement that defines "cause" on occurrence of or in connection with change of control, such definition of "cause" shall not apply until a change of control actually occurs and then only with regard to a termination thereafter. Notwithstanding the foregoing, in the case of an award which is intended to comply with Section 25102(o) of the California Corporations Code, such event must also constitute "cause" under applicable law.

D. "Code" means the Internal Revenue Code of 1986, and any amendments thereto.

E. "Committee" means the Board or any Committee of the Board to which the Board has delegated any responsibility for the implementation, interpretation or administration of the Plan.

F. "Common Stock" means the common stock, \$0.01 par value, of the Corporation.

G. "Consultant" means (i) any person performing consulting or advisory services for the Corporation or any Affiliate, or (ii) a director of an Affiliate.

H. "Continuous Service" means that the Participant's service with the Corporation or an Affiliate, whether as an employee, Director or Consultant, is not interrupted or terminated. A Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Corporation or an Affiliate as an employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. The Participant's Continuous Service shall be deemed to have terminated either upon an actual termination or upon the entity for which the Participant is performing services ceasing to be an Affiliate of the Corporation. The Committee shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Corporation, including sick leave, military leave or any other personal leave. Whether a termination of Continuous Service shall have occurred for purposes of the Plan shall be determined by the Committee, which determination shall be final, binding and conclusive. In the event that any award under the Plan is treated as nonqualified deferred compensation subject to the provisions of Section 409A of the Code, a payment event by reason of a termination of Continuous Service shall, if necessary to comply with Section 409 A of the Code, occur with respect to such award only if such termination of Continuous Service also qualifies a separation from service within the meaning of Section 409A of the Code.

I. "Corporation" means Tenable Holdings, Inc., a Delaware corporation.

J. "Corporation Law" means the general corporation law of the jurisdiction of incorporation of the Corporation.

K. "Director" means a member of the Board.

L. "Disability" shall have the meaning provided for in Section 22(e)(3) of the Code or any successor statute thereto. In the event that any award under the Plan is treated as nonqualified deferred compensation subject to the provisions of Section 409A of the Code, a payment event by reason of a Disability shall, if necessary to comply with Section 409A of the Code, occur with respect to such award only if such Disability also qualifies the Participant as disabled within the meaning of Section 409A(a)(2)(C) of the Code.

M. "Eligible Person" means an employee of the Corporation or an Affiliate (including an entity that becomes an Affiliate after the adoption of this Plan), a Director or a Consultant to the Corporation or an Affiliate (including an entity that becomes an Affiliate after the adoption of this Plan).

N. "Exchange Act" means the Securities Exchange Act of 1934, as amended.

O. "Fair Market Value" means, on any given date, the current fair market value of the shares of Common Stock as determined as follows:

(i) If the Common Stock is traded on The Nasdaq Stock Market or is listed on a national securities exchange, the closing price for the day of determination as quoted on such market or exchange which is the primary market or exchange for trading of the Common Stock or if no trading occurs on such date, the last day on which trading occurred, or such other appropriate date as determined by the Committee in its discretion, as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high and the low asked prices for the Common Stock for the day of determination; or

(iii) In the absence of an established market for the Common Stock, Fair Market Value shall be determined by the Committee in good faith; provided that Fair Market Value shall be determined in accordance with Section 422 of the Code or Section 409A of the Code, as appropriate, and the regulations and guidance thereunder.

P. "Incentive Stock Option" means an Option (or portion thereof) intended to qualify for special tax treatment under Section 422 of the Code.

Q. "Listing Date" means the date on which the Corporation has a class of equity securities registered under Section 12 of the Securities Act.

R. "Nongualified Stock Option" means an Option (or portion thereof) which is not intended or does not for any reason qualify as an Incentive Stock Option.

S. "Option" means any option to purchase shares of Common Stock granted under this Plan.

T. "Parent" means any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation if each of the corporations (other than the Corporation) owns stock possessing at least fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain.

U. "Participant" means an Eligible Person who is selected by the Committee to receive an Option or a Stock Award and is party to a Stock Option Agreement or Stock Award Agreement required by the terms of such Option or Stock Award.

V. "Plan" means this Amended and Restated Tenable Holdings, Inc. 2012 Stock Incentive Plan.

W. "Restricted Stock Award" means an award of Common Stock under Section 7.8.

X. "Securities Act" means the Securities Act of 1933 as amended.

Y. "Stock Award" means a Stock Bonus Award, Restricted Stock Award or Stock Appreciation Right.

Z. "Stock Appreciation Right" means an award of a right of the Participant under Section 7.C. to receive a payment based on the increase in the Fair Market Value of the shares of Common Stock covered by the award.

AA. "Stock Award Agreement" means an agreement (written or electronic) between the Corporation and a Participant setting forth the specific terms and conditions of a Stock Award granted to the Participant under Section 7. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan and shall include such terms and conditions as the Committee shall authorize.

BB. "Stock Bonus Award" means an award of Common Stock under Section 7.A.

CC. "Stock Option Agreement" means an agreement (written or electronic) between the Corporation and a Participant setting forth the specific terms and conditions of an Option granted to the Participant. Each Stock Option Agreement shall be subject to the terms and conditions of the Plan and shall include such terms and conditions as the Committee shall authorize.

DD. "Subsidiary" means any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing at least fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain.

EE. "Ten Percent Owner" means any Eligible Person owning at the time an Option is granted more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation or of a Parent or Subsidiary. An individual shall, in accordance with Section 424(d) of the Code, be considered to own any voting stock owned (directly or indirectly) by or for his brothers, sisters, spouse, ancestors and lineal descendants and any voting stock owned (directly or indirectly) by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its stockholders, partners or beneficiaries.

3. ADMINISTRATION

A. Delegation of Administration. The Board shall be the sole Committee of the Plan unless the Board delegates all or any portion of its authority to administer the Plan to another Committee. To the extent not prohibited by the charter or bylaws of the Corporation, the Board may delegate all or a portion of its authority to administer the Plan to a committee of the Board appointed by the Board and constituted in compliance with the Corporation Law. If permitted by the Corporation Law, and not prohibited by the charter or bylaws of the Corporation, the Board may also delegate all or a portion of its authority to administer the Plan to an officer or officers of the Corporation designated by the Board.

B. Powers of the Committee. Subject to the provisions of the Plan, and, in the case of a Committee appointed by the Board, the specific duties delegated to such Committee, the Committee shall have the authority to implement, interpret and administer the Plan. Such authority shall include, without limitation, the authority:

- (i) To construe and interpret all provisions of this Plan and all Stock Option Agreements and Stock Award Agreements under this Plan.
- (ii) To determine the Fair Market Value of Common Stock.

(iii) To select the Eligible Persons to whom Options or Stock Awards, are granted from time to time hereunder.

(iv) To determine the number of shares of Common Stock covered by an Option or Stock Award; determine whether an Option shall be an Incentive Stock Option or Nonqualified Stock Option; and determine such other terms and conditions, not inconsistent with the terms of the Plan, of each such Option or Stock Award. Such terms and conditions include, but are not limited to, the exercise price of an Option, purchase price of Common Stock subject to a Stock Award, the time or times when Options or Stock Awards may be exercised or Common Stock issued thereunder, the right of the Corporation to repurchase Common Stock issued pursuant to the exercise of an Option or a Stock Award and other restrictions or limitations (in addition to those contained in the Plan) on the forfeitability or transferability of Options, Stock Awards or Common Stock issued upon exercise of an Option or pursuant to a Stock Award. Such terms may include conditions shall be as determined by the Committee and need not be uniform with respect to Participants.

(v) To accelerate the time at which any Option or Stock Award may be exercised, or the time at which a Stock Award or Common Stock issued under the Plan may become transferable or nonforfeitable.

(vi) To amend, cancel, extend, renew, accept the surrender of, modify or accelerate the vesting of or lapse of restrictions on all or any portion of an outstanding Option or Stock Award and to reduce the exercise price of any Option. Except as specifically permitted by the Plan, the Stock Option Agreement or Stock Award Agreement or as required to comply with applicable law, regulation or rule, no amendment, cancellation or modification shall, without a Participant's consent, adversely affect any rights of the Participant; provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Nonqualified Stock Option shall not be treated as adversely affecting the rights of the Participant.

(vii) To prescribe the form of Stock Option Agreements and Stock Award Agreements; to adopt policies and procedures for the exercise of Options or Stock Awards, including the satisfaction of withholding obligations; to adopt, amend, and rescind policies and procedures pertaining to the administration of the Plan; and to make all other determinations necessary or advisable for the administration of this Plan.

The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee; provided that a Committee of the Board may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Committee or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

C. Administration When Common Stock is Publicly Traded. On and following the Listing Date the Committee authorized by the Board to administer the Plan shall, if so determined by the Board, consist of solely two (2) or more Non-Employee Directors (within the meaning of Rule 16b-3 under the Exchange Act) and/or two (2) or more persons who qualify as Outside Directors (within the meaning of Treasury Regulations under Section 162(m) of the Code); provided that the Board may delegate administrative authority with respect to Eligible Persons who are not subject to Section 16 of the Exchange Act to a committee of other than Non-Employee Directors and/or to a committee of other than Outside Directors if either the Board determines not to comply with Section 162(m) or such authority is limited to Eligible Persons who are not then and are not reasonably expected to become Covered Employees (within the meaning of Section 162(m) of the Code).

4. ELIGIBILITY

A. Eligibility for Awards. Nonqualified Stock Options and Stock Awards may be granted to any Eligible Person selected by the Committee. Incentive Stock Options may be granted only to employees of the Corporation or a Parent or Subsidiary.

B. Eligibility of Consultants. A Consultant shall be an Eligible Person only if the offer or sale of the Corporation's securities would be exempt from registration under Rule 701 under the Securities Act prior to the date the Corporation is required to file reports under Section 13 or 15(d) of the Exchange Act, or eligible for registration on Form S-8 Registration Statement, on and following the date the Corporation is required to file reports under Section 13 or 15(d) of the Exchange Act, because, in either case, of the identity and nature of the service provided by such person, unless the Corporation determines that an offer or sale of the Corporation's securities to such person will satisfy another exemption from the registration under the Securities Act and complies with the securities laws of all other jurisdictions applicable to such offer or sale.

C. Substitution Awards. The Committee may make Stock Awards and may grant Options under the Plan by assumption, substitution or replacement of performance shares, phantom shares, stock awards, stock options, stock appreciation rights or similar awards granted by another entity (including an Affiliate), if such assumption, substitution or replacement is connection with an asset acquisition, stock acquisition, merger, consolidation or similar transaction involving the Corporation (and/or its Affiliate) and such other entity (and/or its affiliate). Notwithstanding any provision of the Plan (other than the maximum number of shares of Common Stock that may be issued under the Plan), the terms of such assumed, substituted or replaced Stock Awards or Options shall be as the Committee, in its discretion, determines is appropriate.

5. COMMON STOCK SUBJECT TO PLAN

A. Share Reserve. Subject to adjustment as provided in Section 8, the maximum aggregate number of shares of Common Stock that may be (i) issued under this Plan pursuant to the exercise of Options, (ii) issued pursuant to Stock Bonus Awards and Restricted Stock Awards, and (iii) covered by Stock Appreciation Rights is 6,188,309 shares.

B. Reversion of Shares. If an Option or Stock Award is terminated, expires or becomes unexercisable, in whole or in part, for any reason, the unissued or unpurchased shares of Common Stock (or shares subject to an unexercised Stock Appreciation Right) which were subject thereto shall not be available for future grant under the Plan. Shares of Common Stock that have been actually issued under the Plan shall not be returned to the share reserve for future grants under the Plan, including shares of Common Stock issued pursuant to a Stock Award which are repurchased by the Corporation at the original purchase price of such shares.

C. Source of Shares. Common Stock issued under the Plan may be shares of authorized and unissued Common Stock or shares of previously issued Common Stock that have been reacquired by the Corporation.

6. OPTIONS

A. Award. In accordance with the provisions of Section 4, the Committee will designate each Eligible Person to whom an Option is to be granted and will specify the number of shares of Common Stock covered by such Option. The Stock Option Agreement shall specify whether the Option is an Incentive Stock Option or Nonqualified Stock Option, the vesting schedule (if any) applicable to such Option and any other terms of such Option. No Option that is intended to be an Incentive Stock Option shall be invalid for failure to qualify as an Incentive Stock Option. Shares of Common Stock issued pursuant to an Option may, but need not, be subject to a vesting schedule and may, but need not, be subject to a share repurchase option in favor of the Corporation as determined by the Committee.

B. Exercise Price. The exercise price per share for Common Stock subject to an Option shall be determined by the Committee, but shall comply with the following:

- (i) The exercise price per share for Common Stock subject to a Nonqualified or Incentive Stock Option shall be determined by the Committee, provided that the exercise price per share for Common Stock shall be not less than one hundred percent (100%) of the Fair Market Value on the date of grant.

(ii) The exercise price per share for Common Stock subject to an Incentive Stock Option granted to a Participant who is deemed to be a Ten Percent Owner on the date such option is granted, shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date of grant

C. Maximum Option Period. The maximum period during which an Option may be exercised shall be determined by the Committee on the date of grant, except that no Option that is intended to be an Incentive Stock Option shall be exercisable after the expiration of ten years from the date such Option was granted. In the case of an Incentive Stock Option that is granted to a Participant who is or is deemed to be a Ten Percent Owner on the date of grant, such Option shall not be exercisable after the expiration of five years from the date of grant. The terms of any Option that is an Incentive Stock Option may provide that it is exercisable for a period less than such maximum period.

D. Maximum Value of Options which are Incentive Stock Options. To the extent that the aggregate Fair Market Value of the Common Stock with respect to which Incentive Stock Options granted to any person are exercisable for the first time during any calendar year (under all stock option plans of the Corporation and its Parent (if any) or any of its Subsidiaries) exceeds \$100,000 (or such other amount provided in Section 422 of the Code), the Options are not Incentive Stock Options. For purposes of this section, the Fair Market Value of the Common Stock will be determined as of the time the Incentive Stock Option with respect to the Common Stock is granted. This section will be applied by taking Incentive Stock Options into account in the order in which they are granted.

E. Nontransferability. Options granted under this Plan which are intended to be Incentive Stock Options shall be nontransferable except by will or by the laws of descent and distribution and during the lifetime of the Participant shall be exercisable by only the Participant to whom the Incentive Stock Option is granted. If the Stock Option Agreement so provides or the Committee so approves, a Nonqualified Stock Option may be transferred by a Participant to the Participant's children, stepchildren, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners; provided, however, that Participant may not receive any consideration for the transfer and such transfers are limited to the extent permitted by Rule 701 of the Securities Act and, if the Option is intended to satisfy the exemption under Section 25102(o) of the California Corporations Code, Rule 260.140.4(c) of Title 10 of the California Code of Regulations. The holder of a Nonqualified Stock Option transferred pursuant to this section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant. Except to the extent transferability of a Nonqualified Stock Option is provided for in the Stock Option Agreement or is approved by the Committee, during the lifetime of the Participant to whom the Nonqualified Stock Option is granted, such Option may be exercised only by the Participant. No right or interest of a Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

F. Vesting and Termination of Continuous Service. A Stock Option Agreement may provide for rules for vesting and termination of the Option on a termination of Continuous Service. Except as provided in a Stock Option Agreement, the following rules shall apply:

(i) Subject to the rules of this paragraph, options will vest as provided in the Stock Option Agreement. An Option will be exercisable only to the extent that it is vested on the date of exercise. Vesting of an Option will cease on the date of the Participant's termination of Continuous Service and the Option will be exercisable only to the extent the Option is vested on the date of termination of Continuous Service.

(ii) If the Participant's termination of Continuous Service is for reason of death or Disability, the right to exercise the Option (to the extent vested) will expire on the earlier of (i) one (1) year after the date of the Participant's termination of Continuous Service, or (ii) the expiration date under the terms of the Agreement. Until the expiration date, the Participant's heirs, legatees or legal representative may exercise the Option, except to the extent the Option was previously transferred pursuant to Section 6.E.

(iii) If the Participant's termination of Continuous Service is an involuntary termination without Cause or a voluntary termination (other than a voluntary termination described in Section 6.F.(iv)), the right to exercise the Option (to the extent that it is vested) will expire on the earlier of (i) three (3) months after the date of the Participant's termination of Continuous Service, or (ii) the expiration date under the terms of the Agreement.

If the Participant's termination of Continuous Service is an involuntary termination without Cause or a voluntary termination (other than a voluntary termination described in Section 6.F.(iv)) and the Participant dies after his or her termination of Continuous Service but before the right to exercise the Option has expired, the right to exercise the Option (to the extent vested) shall expire on the earlier of (i) one (1) year after the date of the Participant's termination of Continuous Service or (ii) the date the Option expires under the terms of the Stock Option Agreement, and, until expiration, the Participant's heirs, legatees or legal representative may exercise the Option, except to the extent the Option was previously transferred pursuant to Section 6.E.

(iv) If the Participant's termination of Continuous Service is for Cause or is a voluntary termination at any time after an event which would be grounds for termination of the Participant's Continuous Service for Cause, the right to exercise the Option shall expire as of the date of the Participant's termination of Continuous Service.

G. Exercise. An Option shall be exercised by completion, execution and delivery of notice (written or electronic) to Corporation of the Option which states (i) the Option holder's intent to exercise the Option, (ii) the number of shares of Common Stock with respect to which the Option is being exercised, (iii) such other representations and agreements as may be required by the Corporation and (iv) the method for satisfying any applicable tax withholding as provided in Section 10. Such notice of exercise shall be provided on such form or by such method as the Committee may designate, and payment of the exercise price shall be made in accordance with Section 6.H. Subject to the provisions of this Plan and the applicable Stock Option Agreement, an Option may be exercised to the extent vested in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine. A partial exercise of an Option shall not affect the right to exercise the Option from time to time in accordance with this Plan and the applicable Stock Option Agreement with respect to the remaining shares subject to the Option. An Option may not be exercised with respect to fractional shares of Common Stock.

H. Payment. Unless otherwise provided by the Stock Option Agreement, payment of the exercise price for an Option shall be made in cash or a cash equivalent acceptable to the Committee. Payment of all or part of the exercise price of an Option may also be made, (i) with the consent of the Committee, by surrendering shares of Common Stock to the Corporation, (ii) with the consent of the Committee, by a full-recourse promissory note, (iii) if the Common Stock is traded on an established securities market, the payment of the exercise price by a broker-dealer or by the Option holder with cash advanced by the broker-dealer if the exercise notice is accompanied by the Option holder's written irrevocable instructions to deliver the Common Stock acquired upon exercise of the Option to the broker-dealer, or (iv) any other method acceptable to the Committee and provided for in the Stock Option Agreement. If Common Stock is used to pay all or part of the exercise price, the sum of the cash or cash equivalent and the Fair Market Value (determined as of the date of exercise) of the shares surrendered must not be less than the exercise price of the shares for which the Option is being exercised. If all or part of the exercise price is to be paid with a full-recourse promissory note, the par value of the Common Stock, if newly issued, shall be paid in cash or cash equivalents. The shares received upon exercise of the Option shall be pledged as security for payment of the principal amount of the promissory note and interest thereon and the interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

I. Buyout Provisions. The Committee may at any time offer to buy out an Option previously granted for a payment in cash, shares of Common Stock or other property. Such buyout offer shall be on such terms and conditions as the Committee shall determine.

J. Stockholder Rights. No Participant shall have any rights as a stockholder with respect to shares subject to an Option until the date of exercise of such Option and the certificate for shares of Common Stock to be received on exercise of such Option has been issued by the Corporation.

K. Disposition and Stock Certificate Legends for Incentive Stock Option Shares. A Participant shall notify the Corporation of any sale or other disposition of Common Stock acquired pursuant to an Incentive Stock Option if such sale or disposition occurs (i) within two years of the grant of an Option or (ii) within one year of the issuance of the Common Stock to the Participant. Such notice shall be in writing and directed to the Secretary of the Corporation. The Corporation may require that certificates evidencing shares of Common Stock purchased upon the exercise of Incentive Stock Option issued under the Plan be endorsed with a legend in substantially the following form:

The shares evidenced by this certificate may not be sold or transferred prior to
, 20 , in the absence of a written statement from the Corporation to
the effect that the Corporation is aware of the facts of such sale or transfer.

The blank contained in this legend shall be filled in with the date that is the later of (i) one year and one day after the date of the exercise of such Incentive Stock Option or (ii) two years and one day after the grant of such Incentive Stock Option.

7. STOCK AWARDS

A. Stock Bonus Awards. Each Stock Award Agreement for a Stock Bonus Award shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. The terms and conditions of Stock Award Agreements for Stock Bonus Awards may change from time to time, and the terms and conditions of separate Stock Bonus Awards need not be identical, but each Stock Bonus Award shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Stock Bonus Award may be granted in consideration for past services actually rendered to the Corporation or an Affiliate for its benefit.

(ii) Vesting. Shares of Common Stock granted under the Stock Bonus Award may, but need not, be subject to a vesting schedule and may, but need not, be subject to a share repurchase option in favor of the Corporation as determined by the Committee.

(iii) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Bonus Award.

(iv) Transferability. Rights to acquire shares of Common Stock under the Stock Bonus Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement, as the Committee shall determine in its discretion, so long as Common Stock granted under the Stock Bonus Award remains subject to the terms of the Stock Award Agreement.

B. Restricted Stock Awards. Each Stock Award Agreement for a Restricted Stock Award shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. The terms and conditions of the Stock Award Agreements for Restricted Stock Awards may change from time to time, and the terms and conditions of separate Restricted Stock Awards need not be identical, but each Restricted Stock Award shall include (through incorporation of the provisions hereof by references in the agreement or otherwise) the substance of each of the following provisions.

(i) Purchase Price. The purchase price, if any, of a Restricted Stock Award shall be determined by the Committee.

(ii) Consideration. The purchase price of Common Stock acquired pursuant to the Restricted Stock Award shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Committee, according to a deferred payment or other similar arrangement with the Participant; or (iii) in any other form of legal consideration that may be acceptable to the Committee in its discretion; provided, however, that payment of the Common Stock's "par value" shall not be made by deferred payment.

(iii) Vesting. Shares of Common Stock acquired under a Restricted Stock Award may, but need not, be subject to a share repurchase option in favor of the Corporation in accordance with a vesting schedule to be determined by the Committee.

(iv) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Award Agreement for such Restricted Stock Award.

(v) Transferability. Rights to acquire shares of Common Stock under a Restricted Stock Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement for such Restricted Stock Award, as the Committee shall determine in its discretion, so long as Common Stock granted under the Restricted Stock Award remains subject to the terms of the Stock Award Agreement.

C. Stock Appreciation Rights. Each Stock Award Agreement for Stock Appreciation Rights shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. The terms and conditions of Stock Appreciation Rights may change from time to time, and the terms and conditions of separate Stock Appreciation Rights need not be identical, but each Stock Appreciation Right shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Benefit Provided. Each Stock Appreciation Right shall provide the Participant with the right to receive payment in cash or shares of Common Stock having a Fair Market Value, as designated in the Stock Award Agreement for such Stock Appreciation Rights, of an amount equal to the difference between the Fair Market Value of the Common Stock as of the date of grant of the Stock Appreciation Right and the Fair Market Value of the Common Stock on the date of exercise of such Stock Appreciation Right.

(ii) Tandem Awards. Stock Appreciation Rights may be granted either alone or a tandem with other awards, including Options, under the Plan.

(iii) Vesting. The Stock Award Agreement for a Stock Appreciation Right shall provide the vesting schedule applicable to such award and may, but need not, provide that shares of Common Stock acquired upon exercising a Stock Appreciation Right are subject to a repurchase option in favor of the Corporation.

(iv) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Appreciation Right.

(v) Transferability. Rights to acquire cash or shares of Common Stock under a Stock Appreciation Rights shall be nontransferable except by will or by the laws of descent and distribution and during the lifetime of the Participant shall be exercisable by only the Participant to whom the Stock Appreciation Rights are granted.

8. CHANGES IN CAPITAL STRUCTURE

A. No Limitations of Rights. The existence of outstanding Options or Stock Awards shall not affect in any way the right or power of the Corporation or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital structure or its business, or any merger or consolidation of the Corporation, or any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Corporation, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

B. Changes in Capitalization. If the Corporation shall effect a subdivision, consolidation or reclassification of shares or other capital readjustment, a stock split, a reverse stock split, the payment of a dividend in stock of the Corporation, a spin-off, the payment of an extraordinary dividend or distribution in a form other than stock of the Corporation in an amount that has a material effect on the fair market value of the Common Stock, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving consideration therefore in money, services or property, then (i) the number, class, and per share price of shares of Common Stock subject to outstanding Options and Stock Awards hereunder and (ii) the number and class of shares then reserved for issuance under the Plan and the maximum number of shares for which awards may be granted to a Participant during a specified time period shall be appropriately and proportionately adjusted. The conversion of convertible securities of the Corporation shall not be treated as effected "without receiving consideration." The Committee shall make such adjustments, and its determinations shall be final, binding and conclusive. Any such adjustment of an Option or Stock Award which is not subject to Section 409A of the Code shall be made in a manner which does not result in the Option or Stock Award being subject to Section 409A.

C. Merger, Consolidation or Asset Sale. In the event that the Corporation is a party to a merger or other consolidation, or in the event of a transaction providing for the sale of all or substantially all of the Corporation's stock or assets, outstanding Options and Stock Awards shall be subject to the agreement of merger, consolidation or sale. Such agreement may provide for one or more of the following: (i) the continuation of the outstanding Options and Stock Awards by the Corporation, if the Corporation is a surviving entity; (ii) the assumption of outstanding Options and Stock Awards by the surviving entity or its parent; (iii) the substitution by the surviving entity or its parent of options or other awards with substantially the same terms for such outstanding Options and Stock Awards; (iv) exercisability of such outstanding Options and Stock Awards to the extent vested and exercisable under the terms of the Stock Option Agreement or Stock Award Agreement followed by the cancellation of such Options or Stock Award (whether or not then exercisable); or (v) settlement of the full value of the outstanding Options and Stock Awards to the extent vested and exercisable under the terms of the Stock Option Agreement or Stock Award Agreement, with payment made in cash, cash equivalents or other property as determined by the Committee, and the cancellation of such Options and Stock Award (whether or not then exercisable). The value of any property provided in the settlement shall be determined by the Committee, and the Committee may provide for the payment of the value of a cancelled Option or Stock Award to be made on a delayed basis in recognition of escrows, earn-outs, or other contingencies or holdbacks applicable to holders of Common Stock in connection with the transaction. In each case, the surviving or acquiring entity or its parent may choose to assume or continue only a portion of an Option or Stock Award or substitute a similar award for only a portion of a Option or Stock Award, or may assume, continue or substitute some Options or Stock Awards and not others. The actions under this paragraph shall be effected in a manner which does not result in an Option or Stock Award which is not subject to Section 409A of the Code being subject to taxation under Section 409A of the Code.

D. Limitation on Adjustment. Except as previously expressly provided, neither the issuance by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Corporation convertible into such shares or other securities, nor the increase or decrease of the number of authorized shares of stock, nor the addition or deletion of classes of stock, shall affect, and no adjustment by reason thereof shall be made with respect to, the number, class or price of shares of Common Stock then subject to outstanding Options or Stock Awards.

9. WITHHOLDING OF TAXES

The Corporation or an Affiliate shall have the right, before any certificate for any Common Stock is delivered, to deduct or withhold from any payment owed to a Participant any amount that is necessary in order to satisfy any withholding requirement that the Corporation or Affiliate in good faith believes is imposed upon it in connection with Federal, state, or local taxes, including transfer taxes, as a result of the issuance of, or lapse of restrictions on, such Common Stock, or otherwise require such Participant to make provision for payment of any such withholding amount. Subject to such conditions as may be established by the Committee, the Committee may permit a Participant to (i) have Common Stock otherwise issuable under an Option or Stock Award withheld to the extent necessary to comply with minimum statutory withholding rate requirements for supplemental income, (ii) tender back to the Corporation shares of Common Stock received pursuant to an Option or Stock Award to the extent necessary to comply with minimum statutory withholding rate requirements for supplemental income, (iii) deliver to the Corporation previously acquired Common Stock, (iv) have funds withheld from payments of wages, salary or other cash compensation due the Participant, or (v) pay the Corporation or its Affiliate in cash, in order to satisfy part or all of the obligations for any taxes required to be withheld or otherwise deducted and paid by the Corporation or its Affiliate with respect to the Option or Stock Award.

10. COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES

A. General Requirements. No Option or Stock Award shall be exercisable, no Common Stock shall be issued, no certificates for shares of Common Stock shall be delivered, and no payment shall be made under this Plan except in compliance with all applicable federal and state laws and regulations (including, without limitation, withholding tax requirements), any listing agreement to which the Corporation is a party, and the rules of all domestic stock exchanges or quotation systems on which the Corporation's shares may be listed. The Corporation shall have the right to rely on an opinion of its counsel as to such compliance. Any share certificate issued to evidence Common Stock when a Stock Award is granted or for which an Option or Stock Award is exercised may bear such legends and statements as the Committee may deem advisable to assure compliance with federal and state laws and regulations. No Option or Stock Award shall be exercisable, no Stock Award shall be granted, no Common Stock shall be issued, no certificate for shares shall be delivered, and no payment shall be made under this Plan until the Corporation has obtained such consent or approval as the Committee may deem advisable from regulatory bodies having jurisdiction over such matters.

B. Voting and Dividend Rights. Except as provided in the award agreement, the holders of shares of Common Stock acquired under the Plan shall have the same voting, dividend and other rights as the Corporation's other stockholders. Furthermore, a Stock Bonus Agreement or Restricted Stock Agreement, however, may require that the holders of shares of Common Stock invest any cash dividends received in additional shares of Common Stock. Such additional shares shall be subject to the same conditions and restrictions as the award with respect to which the dividends were paid.

C. Participant Representations. The Committee may require that a Participant, as a condition to receipt or exercise of a particular award, execute and deliver to the Corporation a written statement, in form satisfactory to the Committee, in which the Participant represents and warrants that the shares are being acquired for such person's own account, for investment only and not with a view to the resale or distribution thereof. The Participant shall, at the request of the Committee, be required to represent and warrant in writing that any subsequent resale or distribution of shares of Common Stock by the Participant shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer of sale or sale of such shares, obtain a prior favorable written opinion of counsel, in form and substance satisfactory to counsel for the Corporation, as to the application of such exemption thereto.

D. Foreign Participants. In order to facilitate the making of any award or combination of awards under the Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals, or who are employed by the Company or any Affiliate outside of the United States, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, the Plan, including “sub-plans” to the Plan, as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose, provided that no such supplements, amendments, restatements, alternative versions or sub-plans shall include any provisions that are inconsistent with the Plan, unless the Plan may be amended to eliminate such inconsistency without further approval by the stockholders of the Company.

11. GENERAL PROVISIONS

A. Effect on Employment and Service. Neither the adoption of this Plan, its operation, nor any documents describing or referring to this Plan (or any part thereof) shall (i) confer upon any individual any right to continue in the employ or service of the Corporation or an Affiliate, (ii) in any way affect any right and power of the Corporation or an Affiliate to change an individual’s duties or terminate the employment or service of any individual at any time with or without assigning a reason therefor or (iii) except to the extent the Committee grants an Option or Stock Award to such individual, confer on any individual the right to participate in the benefits of the Plan.

B. Use of Proceeds. The proceeds received by the Corporation from the sale of Common Stock pursuant to this Plan shall be used for general corporate purposes.

C. Unfunded Plan. The Plan, insofar as it provides for grants, shall be unfunded, and the Corporation shall not be required to segregate any assets that may at any time be represented by grants under this Plan. Any liability of the Corporation to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.

D. 409A Compliance. It is the intent of the Corporation that all awards under the Plan that constitute “nonqualified deferred compensation” within the meaning of Code Section 409A will satisfy the requirements of that section, and that all awards under the Plan that can qualify for an exemption from the definition of “nonqualified deferred compensation” under that section, including but not limited to Options, Stock Appreciation Rights and Restricted Stock Awards, will do so unless the Committee has determined otherwise. Accordingly, the terms of the Plan and Award Agreements shall be interpreted in a manner consistent with Code Section 409A and regulations thereunder.

E. Rules of Construction. Headings are given to the Sections of this Plan solely as a convenience to facilitate reference, and shall not be used in interpreting, construing or enforcing any provision hereof. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

F. Choice of Law. The Plan and, except to the extent that a Stock Option Agreement or Stock Award Agreement otherwise provides, all Stock Option Agreements and Stock Award Agreements entered into under the Plan shall be governed by and interpreted under the laws of the state of incorporation of Corporation excluding (to the greatest extent permissible by law) any rule of law that would cause the application of the laws of any jurisdiction other than the laws of the jurisdiction of incorporation of the Corporation.

12. AMENDMENT AND TERMINATION

The Board may amend or terminate this Plan from time to time; provided, however, that stockholder approval shall be required for any amendment that (i) increases the aggregate number of shares of Common Stock that may be issued under the Plan or (ii) changes the class of employees eligible to receive Incentive Stock Options. Except as specifically permitted by the Plan, Stock Option Agreement or Stock Award Agreement or as required to comply with applicable law, regulation or rule, no amendment shall, without a Participant's consent, adversely affect any rights of such Participant under any Option or Stock Award outstanding at the time such amendment is made; provided, however, that an amendment that may cause an Incentive Stock Option to become a Nonqualified Stock Option, and any amendment that is required to comply with the rules applicable to Incentive Stock Options, shall not be treated as adversely affecting the rights of the Participant. Stockholder approval shall also be required for any amendment if such approval is required by the terms of any applicable law, regulation, or rule, including, without limitation, any stock market or securities on which the Common Stock is publicly traded. Each such amendment shall be subject to the approval of the stockholders of the Corporation within twelve (12) months of the date such amendment is adopted by the Board.

* * * *

**TENABLE NETWORK SECURITY, INC.
2012 STOCK INCENTIVE PLAN
NOTICE OF STOCK OPTION GRANT**

Tenable Network Security, Inc. (the "Corporation") hereby grants you the following Option to purchase shares of its common stock ("Shares"). The terms and conditions of this Option are set forth in the Stock Option Agreement and the Tenable Network Security, Inc. 2012 Stock Incentive Plan (the "Plan"), both of which are attached to and made a part of this document.

Date of Grant: [Date of Grant]

Name of Optionee: [Name of Optionee]

Number of Option Shares: [Number of Shares]

Exercise Price per Share: \$[Exercise Price] (The Exercise Price per Share of an Option shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant. If Optionee is deemed to be a Ten-Percent Stockholder, the Exercise Price per Share of an ISO must be at least one hundred ten percent (110%) of Fair Market Value.)

Vesting Start Date: [Vesting Start Date]

Type of Option: [Type of Grant: NSO/ISO]

Vesting Schedule: Subject to the terms and conditions set forth in Section 2 of the Stock Option Agreement, the Option vests with respect to the first 25% of the Shares when the Optionee completes 12 months of continuous Service after the Vesting Start Date, and with respect to an additional 1/48th of the Shares when the Optionee completes each full month of Continuous Service thereafter.

In the event of a Change in Control, as defined below, during your period of Continuous Service, the Option shall accelerate and vest with respect to 100% of the Shares covered by the Option. For purposes of this Agreement, "Change in Control" means: (i) an individual, person, general partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust, foreign business organization or other entity, together with any affiliate of the foregoing (other than (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (z) a shareholder of the Company as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a "Person") acquires (other than solely by reason of a repurchase of voting securities by the Company) more than 50% of the combined voting power of the Company's then total outstanding voting securities; (ii) there is consummated a merger or consolidation of the Company with any other corporation or other entity,

TENABLE NETWORK SECURITY, INC.
NOTICE OF STOCK OPTION GRANT

other than (A) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (meaning that such Person is entitled to the benefits of ownership although such Person does have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities; or (iii) the stockholders of the Company approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of the Company constitute a Change in Control for purposes of this Agreement.

By signing this document, you acknowledge receipt of a copy of the Plan, and agree that (a) you have carefully read, fully understand and agree to all of the terms and conditions described in the attached Stock Option Agreement, the Plan document and "Notice of Exercise and Common Stock Purchase Agreement" (the "Exercise Notice"); (b) you hereby make the purchaser's investment representations contained in the Exercise Notice with respect to the grant of this Option; (c) you understand and agree that this Notice of Stock Option Grant, the Stock Option Agreement, including its attachments, constitutes the entire understanding between you and the Corporation regarding this Option, and that any prior agreements, commitments or negotiations concerning this Option are replaced and superseded; and (d) you have been given an opportunity to consult your own legal and tax counsel with respect to all matters relating to this Option prior to signing this Notice of Stock Option Grant and that you have either consulted such counsel or voluntarily declined to consult such counsel.

[NAME OF OPTIONEE]

TENABLE NETWORK SECURITY, INC.

By: _____

Its: _____

TENABLE NETWORK SECURITY, INC.
NOTICE OF STOCK OPTION GRANT

TENABLE NETWORK SECURITY, INC.

2012 STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

SECTION 1. KIND OF OPTION.

This Option is intended to be either an incentive stock option intended to meet the requirements of section 422 of the Internal Revenue Code (an "ISO") or a non-statutory option (an "NSO"), which is not intended to meet the requirements of an ISO, as indicated in the Notice of Stock Option Grant. Even if this Option is designated as an ISO, it shall be deemed to be an NSO to the extent required by the \$100,000 annual limitation under Section 422(d) of the Code.

SECTION 2. VESTING.

Subject to the terms and conditions of the Plan and this Stock Option Agreement (the "Agreement"), your Option will be exercisable with respect to the Shares that have become vested in accordance with the schedule set forth in the Notice of Stock Option Grant. If your Option is granted in consideration of your service to the Corporation of an Affiliate, after your Continuous Service terminates for any reason, vesting of your Shares subject to such Option immediately stops and such Option expires immediately as to the number of Shares that are not vested as of the date your Continuous Service terminates.

SECTION 3. TERM.

Your Option will expire in any event at the close of business at Corporation headquarters on ten (10) years after the Date of Grant; provided, however, that if your Option is an ISO it will expire five (5) years after the Date of Grant if you are or are deemed to be a Ten-Percent Owner (the "Expiration Date"). Also, your Option will expire earlier if your Continuous Service terminates, as described below.

SECTION 4. REGULAR TERMINATION.

- (a) If your Service terminates for any reason except death, Disability or Cause or when grounds for your termination for Cause exists, the vested portion of your Option will expire at the close of business at Corporation headquarters on the date 30 days after your termination of Continuous Service. During that 30 day period, you may exercise the portion of your Option that was vested on your termination date. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date determined under Section 3 above.
- (b) If your Continuous Service is terminated for Cause or you voluntarily terminate when grounds for your termination for Cause exists, your Option will expire immediately upon your termination of service. "Cause" means (i) in the case where you do not have an employment agreement, consulting agreement or similar agreement in effect with the Corporation or its Affiliate at the time of grant of the Option or where there is such an agreement but it does not define "Cause" (or words of like import), conduct related to your service to the Corporation or an Affiliate for which either criminal or civil penalties against you may be sought, misconduct, insubordination, material violation of the Corporation's or its Affiliate's policies, disclosing or misusing any confidential

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STOCK OPTION AGREEMENT

information or material concerning the Corporation or an Affiliate or material breach of any employment agreement, consulting agreement or similar agreement, or (ii) in the case where you have an employment agreement, consulting agreement or similar agreement in effect with the Corporation or an Affiliate at the time of grant of the Option that defines a termination for “cause” (or words of like import), as defined in such agreement; provided, however, that with regard to any agreement that defines “cause” on occurrence of or in connection with change of control, such definition of “cause” shall not apply until a change of control actually occurs and then only with regard to a termination thereafter.

- (c) If your Option is an ISO and you exercise it more than three months after termination of your Service as an Employee for any reason other than death or a Disability expected to result in death or to last for a continuous period of at least twelve (12) months, your Option will cease to be eligible for ISO tax treatment.
- (d) Your Option will cease to be eligible for ISO tax treatment if you exercise it more than three months after the 90th day of a bona fide leave of absence approved by the Corporation, unless you return to employment immediately upon termination of such leave or your right to reemployment after your leave was guaranteed by statute or contract.

SECTION 5. DEATH.

If you die while in Service with the Corporation, the vested portion of your Option will expire at the close of business at Corporation headquarters on the date twelve (12) months after the date of your death. During that twelve (12) month period, your estate, legatees or heirs may exercise that portion of your Option that was vested on the date of your death. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date determined under Section 3 above.

SECTION 6. DISABILITY.

- (a) If your Service terminates because of a Disability, the vested portion of your Option will expire at the close of business at Corporation headquarters on the date twelve (12) months after your termination date. During that twelve (12) month period, you may exercise that portion of your Option that was vested on the date of your Disability. “Disability” means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment. Notwithstanding the foregoing, the Option may not be exercised after the Expiration Date determined under Section 3 above.
- (b) If your Option is an ISO and your Disability is not expected to result in death or to last for a continuous period of at least twelve (12) months, your Option will be eligible for ISO tax treatment only if it is exercised within three (3) months following the termination of your Service as an Employee.

SECTION 7. EXERCISING YOUR OPTION.

To exercise your Option, you must execute the Notice of Exercise and Common Stock Purchase Agreement (the “Exercise Notice”), attached as Exhibit A. You must submit this form, together with full payment, to the Corporation. Your exercise will be effective when it is received by the Corporation. If someone else wants to exercise your Option after your death, that person must prove to the Corporation’s satisfaction that he or she is entitled to do so.

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STOCK OPTION AGREEMENT

SECTION 8. PAYMENT FORMS.

When you exercise your Option, you must include payment of the Exercise Price for the Shares you are purchasing in cash or cash equivalents. Alternatively, you may pay all or part of the Exercise Price by surrendering, or attesting to ownership of, Shares already owned by you, unless such action would cause the Corporation to recognize any (or additional) compensation expense with respect to the Option for financial reporting purposes. Such Shares shall be surrendered to the Corporation in good form for transfer and shall be valued at their Fair Market Value on the date of Option exercise. To the extent that a public market for the Shares exists and to the extent permitted by applicable law, in each case as determined by the Corporation, you also may exercise your Option by delivery (on a form prescribed by the Corporation) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Corporation in payment of the aggregate Exercise Price and, if requested, applicable withholding taxes. The Corporation will provide the forms necessary to make such a cashless exercise.

SECTION 9. TAX WITHHOLDING AND REPORTING.

- (a) You will not be allowed to exercise this Option unless you pay, or make acceptable arrangements to pay, any taxes required to be withheld as a result of the Option exercise or the sale of Shares acquired upon exercise of this Option. You hereby authorize withholding from payroll or any other payment due you from the Corporation or your employer to satisfy any such withholding tax obligation.
- (b) If you sell or otherwise dispose of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, you shall immediately notify the Corporation in writing of such disposition.

SECTION 10. RIGHT OF FIRST REFUSAL, COMPANY PURCHASE RIGHTS AND DRAG ALONG.

In the event that you propose to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Corporation shall have a "Right of First Refusal" with respect to such Shares in accordance with the provisions of the Exercise Notice. In accordance with the Exercise Notice, the Shares you receive on exercise will also be subject to the terms of the "Corporation Purchase Rights" in the event of your termination of Continuous Service and Drag Along Rights upon a sale of the Corporation.

SECTION 11. RESALE RESTRICTIONS/MARKET STAND-OFF.

In connection with any underwritten public offering by the Corporation of its equity securities pursuant to an effective registration statement filed under the U.S. Securities Act of 1933, as amended, including the Corporation's initial public offering, you may be prohibited from engaging in any transaction with respect to any of the Corporation's common stock without the prior written consent of the Corporation or its underwriters in accordance with the provisions of the Exercise Notice.

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SECTION 12. **TRANSFER OF OPTION.**

Prior to your death, only you may exercise this Option. This Option and the rights and privileges conferred hereby cannot be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will. Regardless of any marital property settlement agreement, the Corporation is not obligated to honor an Exercise Notice from your spouse or former spouse, nor is the Corporation obligated to recognize such individual's interest in your Option in any other way. Notwithstanding the foregoing, however, to the extent permitted by the Board in its sole discretion, an NSO may be transferred by you to one or more family members or to a trust established for your benefit and/or one or more of your family members to the extent permitted by the Plan.

SECTION 13. **RETENTION RIGHTS.**

This Agreement does not give you the right to be retained by the Corporation in any capacity. The Corporation reserves the right to terminate your Service at any time and for any reason without thereby incurring any liability to you.

SECTION 14. **STOCKHOLDER RIGHTS.**

Neither you nor your estate or heirs have any rights as a stockholder of the Corporation until a certificate for the Shares acquired upon exercise of this Option has been issued. No adjustments are made for dividends or other rights if the applicable record date occurs before your stock certificate is issued, except as described in the Plan.

SECTION 15. **ADJUSTMENTS.**

In the event of a stock split, a stock dividend or a similar change in the Corporation's Stock, the number and class of Shares covered by this Option and the Exercise Price per share may be adjusted pursuant to the Plan. Your Option shall be subject to the terms of the agreement of merger, liquidation, or reorganization or sale of substantially all of the Corporation's assets in the event the Corporation is subject to such corporate activity as set forth in the Plan.

SECTION 16. **LEGENDS.**

All certificates representing the Shares issued upon exercise of this Option shall, where applicable, have endorsed thereon the following legends:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF U.S. FEDERAL AND STATE OR APPLICABLE FOREIGN SECURITIES LAWS OR IF THE COMPANY IS PROVIDED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION AND QUALIFICATION UNDER U.S. FEDERAL AND STATE OR APPLICABLE FOREIGN SECURITIES LAWS IS NOT REQUIRED.

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THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE INITIAL HOLDER HEREOF. SUCH AGREEMENT PROVIDES FOR CERTAIN TRANSFER RESTRICTIONS, INCLUDING RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SECURITIES. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE.

If the Option is an ISO, then the following legend should be included:

THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED UPON EXERCISE OF AN INCENTIVE STOCK OPTION, AND THE COMPANY MUST BE NOTIFIED IF THE SHARES SHALL BE TRANSFERRED BEFORE THE LATER OF THE TWO (2) YEAR ANNIVERSARY OF THE DATE OF GRANT OF THE OPTION OR THE ONE (1) YEAR ANNIVERSARY OF THE DATE ON WHICH THE OPTION WAS EXERCISED. THE REGISTERED HOLDER MAY RECOGNIZE ORDINARY INCOME IF THE SHARES ARE TRANSFERRED BEFORE SUCH DATE.

SECTION 17. TAX DISCLAIMER.

You agree that you are responsible for consulting your own tax advisor as to the tax consequences associated with your Option. The tax rules governing options are complex, change frequently and depend on the individual taxpayer's situation. For your information, a memorandum that briefly summarizes current U.S. federal income tax law relating to certain aspects of stock options is attached hereto as Exhibit B. Please note that this memorandum does not purport to be complete. Although the Corporation will make available to you general tax information about stock options, you agree that the Corporation shall not be held liable or responsible for making such information available to you and any tax or financial consequences that you may incur in connection with your Option.

In addition, as noted in Exhibit B, options granted at a discount from fair market value may be considered "deferred compensation" subject to adverse tax consequences under Section 409A of the Internal Revenue Code, which is generally effective January 1, 2005. The Board has made a good faith determination that the exercise price per share of the Option is not less than the fair market value of the Shares underlying your Option on the Date of Grant. It is possible, however, that the Internal Revenue Service could later challenge that determination and assert that the fair market value of the Shares underlying your Option was greater on the Date of Grant than the exercise price determined by the Board, which could result in immediate income tax upon the vesting of your Option (whether or not exercised) and a 20% tax penalty, as well as the loss of incentive stock option status (if applicable). The Corporation gives no assurance that such adverse tax consequences will not occur and specifically assumes no responsibility therefor. By accepting this Option, you acknowledge that any tax liability or other adverse tax consequences to you resulting from the grant of the Option will be the responsibility of, and will be borne entirely by, you. YOU ARE THEREFORE ENCOURAGED TO CONSULT YOUR OWN TAX ADVISOR BEFORE ACCEPTING THE GRANT OF THIS OPTION.

SECTION 18. THE PLAN AND OTHER AGREEMENTS.

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan. The Notice of Stock Option Grant, this Agreement, including its attachments, and the Plan constitute the entire understanding between you and the Corporation regarding this Option. Any prior agreements, commitments or negotiations concerning this Option are superseded.

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STOCK OPTION AGREEMENT

SECTION 19.**MISCELLANEOUS PROVISIONS.**

- (a) You understand and acknowledge that (i) the Plan is entirely discretionary, (ii) the Corporation and your employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Corporation.
- (b) The value of this Option shall be an extraordinary item of compensation outside the scope of your employment contract, if any, and shall not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.
- (c) You understand and acknowledge that participation in the Plan ceases upon termination of your Continuous Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.
- (d) You hereby authorize and direct your employer to disclose to the Corporation or any Affiliate any information regarding your employment, the nature and amount of the your compensation and the fact and conditions of your participation in the Plan, as your employer deems necessary or appropriate to facilitate the administration of the Plan.
- (e) You consent to the collection, use and transfer of personal data as described in this Subsection. You understand and acknowledge that the Corporation, your employer and the Corporation's other Affiliates hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Corporation and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the your favor (the "Data"). You further understand and acknowledge that the Corporation and/or its Affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Corporation and/or any Affiliate may each further transfer Data to any third party assisting the Corporation in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection by contacting the Human Resources Department of the Corporation in writing.

TENABLE NETWORK SECURITY, INC.
STOCK OPTION AGREEMENT

SECTION 20.

APPLICABLE LAW.

This Agreement will be interpreted and enforced under the laws of the State of [Delaware] (without regard to their choice of law provisions).

TENABLE NETWORK SECURITY, INC.
STOCK OPTION AGREEMENT

EXHIBIT A

**TENABLE NETWORK SECURITY, INC. 2012 STOCK INCENTIVE PLAN
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT**

THIS AGREEMENT is dated as of _____, _____, between Tenable Network Security, Inc. (the "Corporation"), and [Name of Optionee] ("Purchaser").

W I T N E S S E T H:

WHEREAS, the Corporation granted Purchaser a stock option on _____, (the "Date of Grant") pursuant to a stock option agreement (the "Option Agreement") under which Purchaser has the right to purchase up to [Number of Shares] shares of the Corporation's common stock (the "Option Shares"); and

WHEREAS, the Option is exercisable with respect to certain of the Option Shares as of the date hereof; and

WHEREAS, pursuant to the Option Agreement, Purchaser desires to purchase shares of the Corporation as herein described, on the terms and conditions set forth in this Agreement, the Option Agreement and the Tenable Network Security, Inc. 2012 Stock Incentive Plan (the "Plan"). Certain capitalized terms used in this Agreement are defined in the Plan.

NOW, THEREFORE, it is agreed between the parties as follows:

SECTION 1. PURCHASE OF SHARES.

(a) Pursuant to the terms of the Option Agreement, Purchaser hereby agrees to purchase from the Corporation and the Corporation agrees to sell and issue to Purchaser _____ shares of the Corporation's common stock (the "Common Stock") for the Exercise Price per share specified in the Notice of Stock Option Grant payable by personal check, cashier's check, money order or otherwise as permitted by the Option Agreement. Payment shall be delivered at the Closing, as such term is defined below.

(b) The closing (the "Closing") under this Agreement shall occur at the offices of the Corporation as of the date hereof, or such other time and place as may be designated by the Corporation (the "Closing Date").

SECTION 2. ADJUSTMENT OF SHARES.

Subject to the provisions of the Articles of Incorporation of the Corporation, if (a) there is any stock dividend or liquidating dividend of cash and/or property, stock split or other change in the character or amount of any of the outstanding securities of the Corporation, or (b) there is any consolidation, merger or sale of all or substantially all of the assets of the Corporation, then, in such event, any and all new, substituted or additional securities or other cash or property to which Purchaser is entitled by reason of Purchaser's ownership of the shares shall be immediately subject to the terms of this Agreement, including but not limited to the Right of First Refusal, Transfer Restrictions and Purchase Rights as provided below, with the same force and effect as the shares subject to provisions. Appropriate adjustments shall be made to the number and/or class of shares subject to terms of this Agreement to reflect the exchange or distribution of such securities. In the event of a merger or consolidation of the Corporation with or into another entity or any other corporate reorganization, the Corporation's rights may be exercised by the Corporation's successor.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

SECTION 3.**THE COMPANY'S RIGHT OF FIRST REFUSAL AND TRANSFER RESTRICTION.**

Before any shares of Common Stock registered in the name of Purchaser may be sold or transferred, such shares shall first be offered to the Corporation as follows (the "Right of First Refusal"):

(a) Purchaser shall promptly deliver a notice ("Notice") to the Corporation stating (i) Purchaser's bona fide intention to sell or transfer such shares and the identity of the proposed purchaser or transferee, (ii) the number of such shares to be sold or transferred, and the basic terms and conditions of such sale or transfer, (iii) the price for which Purchaser proposes to sell or transfer such shares, (iv) the name of the proposed purchaser or transferee, and (v) proof satisfactory to the Corporation that the proposed sale or transfer will not violate any applicable U.S. federal, state or foreign securities laws. The Notice shall be signed by both Purchaser and the proposed purchaser or transferee and must constitute a binding commitment subject to the Corporation's Right of First Refusal as set forth herein.

(b) Within thirty (30) days after receipt of the Notice, the Corporation may elect to purchase all or any portion of the shares to which the Notice refers, at the price per share specified in the Notice. If the Corporation elects not to purchase all or any portion of the shares, the Corporation may assign its right to purchase all or any portion of the shares. The assignees may elect within thirty (30) days after receipt by the Corporation of the Notice to purchase all or any portion of the shares to which the Notice refers, at the price per share specified in the Notice. An election to purchase shall be made by written notice to Purchaser. Payment for shares purchased pursuant to this Section 3 shall be made within thirty (30) days after receipt of the Notice by the Corporation and, at the option of the Corporation, may be made by cancellation of all or a portion of outstanding indebtedness, if any, or in cash or both.

(c) If all or any portion of the shares to which the Notice refers are not elected to be purchased, as provided in subparagraph 3(b), Purchaser may sell those shares to any person named in the Notice at the price specified in the Notice, provided that such sale or transfer complies with Section 3(g) hereof and is consummated within sixty (60) days of the date of said Notice to the Corporation, and provided, further, that any such sale is made in compliance with applicable U.S. federal, state and foreign securities laws and not in violation of any other contractual restrictions to which Purchaser is bound. The third-party purchaser shall be bound by, and shall acquire the shares of stock subject to, the provisions of this Agreement, including the Corporation's Right of First Refusal.

(d) Any proposed transfer on terms and conditions different from those set forth in the Notice, as well as any subsequent proposed transfer shall again be subject to the Corporation's Right of First Refusal and shall require compliance with the procedures described in this Section 3.

(e) Purchaser agrees to cooperate affirmatively with the Corporation, to the extent reasonably requested by the Corporation, to enforce rights and obligations pursuant to this Agreement.

(f) Notwithstanding the above, neither the Corporation nor any assignee of the Corporation under this Section 3 shall have any right under this Section 3 at any time subsequent to the closing of a public offering of the common stock of the Corporation pursuant to a registration statement declared effective under the U.S. Securities Act of 1933, as amended (the "Securities Act").

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

(g) The Corporation may object to the proposed transfer of the Purchaser's shares of Common Stock to a proposed transferee for the following reasons: (i) Purchaser's sale will be to a direct competitor of the Corporation or to any of its shareholders; or (ii) the proposed transfer will jeopardize or compromise the Corporation's position with regard to any existing or proposed agreements or contracts or renewals thereof.

(h) This Section 3 shall not apply to (i) a transfer by will or intestate succession, or (ii) a transfer to one or more members of Purchaser's Immediate Family (defined below) or to a trust established by Purchaser for the benefit of Purchaser and/or one or more members of Purchaser's Immediate Family, provided that the transferee agrees in writing on a form prescribed by the Corporation to be bound by all of the provisions of this Agreement to the same extent as they apply to Purchaser. The transferee shall execute a copy of the attached Annex I and file the same with the Secretary of the Corporation. For purposes of this Agreement, Immediate Family means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and shall include adoptive relationships.

SECTION 4. COMPANY PURCHASE RIGHT

(a) At any time following the Purchaser's termination of Continuous Service with the Corporation for any reason or, if later, the date of purchase of Common Stock upon exercise of the Option Agreement, the Corporation shall have the option (exercisable by written notice to the Purchaser to purchase), and the Purchaser shall sell, all of the shares of Common Stock then owned by the Purchaser (or a transferee of Purchaser) acquired under the Plan in accordance with the procedures set forth in Section 4(b) below.

(b) The purchase price therefore shall be paid in cash and shall be equal to the then fair market value thereof as determined to the Board of Directors. Such fair market value shall be determined as of the day the Corporation elects to exercise Purchase right under this Section and the Board of Director's good faith determination shall be binding on all parties. Such purchase price shall be paid within thirty (30) days after such fair market value is established, provided, however, should the Corporation have insufficient funds to pay such purchase price in a lump sum or if the Board otherwise elects in its discretion, then, at the option of the Corporation, such purchase price shall be paid in five (5) consecutive equal annual payments, the first being made within thirty (30) days after such fair market value is established, and the four (4) remaining payments being made on the first, second, third and fourth anniversary of the first payment, with interest at the applicable federal rate under Section 1274(d) of the Internal Revenue Code using the mid-term rate for the month of the purchase.

SECTION 5. PURCHASER'S RIGHTS AFTER EXERCISE OF RIGHT OF FIRST REFUSAL OR PURCHASE.

If the Corporation makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Common Stock to be repurchased in accordance with the provisions of Sections 3 or 4 of this Agreement, then from and after such time the person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such shares shall be deemed to have been repurchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

SECTION 6.**LEGEND OF SHARES.**

All certificates representing the Common Stock purchased under this Agreement shall, where applicable, have endorsed thereon the following legends and any other legends required by applicable securities laws:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF U.S. FEDERAL AND STATE OR APPLICABLE FOREIGN SECURITIES LAWS OR IF THE COMPANY IS PROVIDED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION AND QUALIFICATION UNDER U.S. FEDERAL AND STATE OR APPLICABLE FOREIGN SECURITIES LAWS IS NOT REQUIRED.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE INITIAL HOLDER HEREOF. SUCH AGREEMENT PROVIDES FOR CERTAIN TRANSFER RESTRICTIONS, INCLUDING RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SECURITIES. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE.

If the Option is an ISO, then the following legend should be included:

THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED UPON EXERCISE OF AN INCENTIVE STOCK OPTION, AND THE COMPANY MUST BE NOTIFIED IF THE SHARES SHALL BE TRANSFERRED BEFORE THE LATER OF THE TWO (2) YEAR ANNIVERSARY OF THE DATE OF GRANT OF THE OPTION OR THE ONE (1) YEAR ANNIVERSARY OF THE DATE ON WHICH THE OPTION WAS EXERCISED. THE REGISTERED HOLDER MAY RECOGNIZE ORDINARY INCOME IF THE SHARES ARE TRANSFERRED BEFORE SUCH DATE.

SECTION 7.**PURCHASER'S INVESTMENT REPRESENTATIONS.**

(a) This Agreement is made with Purchaser in reliance upon Purchaser's representation to the Corporation, which by Purchaser's acceptance hereof Purchaser confirms, that the Common Stock which Purchaser will receive will be acquired with Purchaser's own funds for investment for an indefinite period for Purchaser's own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that Purchaser has no present intention of selling, granting participating in, or otherwise distributing the same, but subject, nevertheless, to any requirement of law that the disposition of Purchaser's property shall at all times be within Purchaser's control. By executing this Agreement, Purchaser further represents that Purchaser does not have any contract, understanding or agreement with any person to sell, transfer, or grant participation to such person or to any third person, with respect to any of the Common Stock.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
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(b) Purchaser understands that the Common Stock will not be registered or qualified under applicable U.S. federal, state or foreign securities laws on the ground that the sale provided for in this Agreement is exempt from registration or qualification under applicable U.S. federal, state or foreign securities laws and that the Corporation's reliance on such exemption is predicated on Purchaser's representations set forth herein.

(c) Purchaser agrees that in no event shall Purchaser make a disposition of any of the Common Stock (including a disposition under Section 3 of this Agreement), unless and until (i) Purchaser shall have notified the Corporation of the proposed disposition and shall have furnished the Corporation with a statement of the circumstances surrounding the proposed disposition and (ii) Purchaser shall have furnished the Corporation with an opinion of counsel satisfactory to the Corporation to the effect that (A) such disposition will not require registration or qualification of such Common Stock under applicable U.S. federal, state or foreign securities laws or (B) appropriate action necessary for compliance with the applicable U.S. federal, state or foreign securities laws has been taken or (iii) the Corporation shall have waived, expressly and in writing, its rights under clauses (i) and (ii) of this Section.

(d) With respect to a transaction occurring prior to such date as the Plan and Common Stock thereunder are covered by a valid Form S-8 or similar U.S. federal registration statement, this Subsection shall apply unless the transaction is covered by the exemption from registration or qualification under applicable state law. In connection with the investment representations made herein, Purchaser represents that Purchaser is able to fend for himself or herself in the transactions contemplated by this Agreement, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of Purchaser's investment, has the ability to bear the economic risks of Purchaser's investment and has been furnished with and has had access to such information as would be made available in the form of a registration statement together with such additional information as is necessary to verify the accuracy of the information supplied and to have all questions answered by the Corporation.

(e) Purchaser understands that if the Corporation does not register with the U.S. Securities and Exchange Commission pursuant to section 12 of the U.S. Securities Exchange Act of 1934, as amended, or if a registration statement covering the Common Stock (or a filing pursuant to the exemption from registration under Regulation A of the Securities Act) under the Securities Act is not in effect when Purchaser desires to sell the Common Stock, Purchaser may be required to hold the Common Stock for an indeterminate period. Purchaser also acknowledges that Purchaser understands that any sale of the Common Stock which might be made by Purchaser in reliance upon Rule 144 under the Securities Act may be made only in limited amounts in accordance with the terms and conditions of that Rule.

SECTION 8. NO DUTY TO TRANSFER IN VIOLATION OF THIS AGREEMENT.

The Corporation shall not be required (a) to transfer on its books any shares of Common Stock of the Corporation which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.

SECTION 9. RIGHTS OF PURCHASER.

(a) Except as otherwise provided herein, Purchaser shall, during the term of this Agreement, exercise all rights and privileges of a shareholder of the Corporation with respect to the Common Stock.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

(b) Nothing in this Agreement shall be construed as a right by Purchaser to be retained by the Corporation, or an Affiliate of the Corporation in any capacity. The Corporation reserves the right to terminate Purchaser's Service at any time and for any reason without thereby incurring any liability to Purchaser.

SECTION 10. RESALE RESTRICTIONS/MARKET STAND-OFF.

Purchaser hereby agrees that in connection with any underwritten public offering by the Corporation of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Corporation's initial public offering, Purchaser shall not, directly or indirectly, engage in any transaction prohibited by the underwriter, or sell, make any short sale of, contract to sell, transfer the economic risk of ownership in, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to any Common Stock without the prior written consent of the Corporation or its underwriters, for such period of time after the effective date of such registration statement as may be requested by the Corporation or such underwriters. Such period of time shall not exceed one hundred eighty (180) days and may be required by the underwriter as a market condition of the offering; provided, however, that if either (a) during the last seventeen (17) days of such one hundred eighty (180) day period, the Corporation issues an earnings release or material news or a material event relating to the Corporation occurs or (b) prior to the expiration of such one hundred eighty (180) day period, the Corporation announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the one hundred eighty (180) day period, then the restrictions imposed during such one hundred eighty (180) day period shall continue to apply until the expiration of the eighteen (18) day period beginning on the issuance of the earnings release or the occurrence of the material news or material event; provided, further, that in the event the Corporation or the underwriter requests that the one hundred eighty (180) day period be extended or modified pursuant to then-applicable law, rules, regulations or trading policies, the restrictions imposed during the one hundred eighty (180) day period shall continue to apply to the extent requested by the Corporation or the underwriter to comply with such law, rules, regulations or trading policies. Purchaser hereby agrees to execute and deliver such other agreements as may be reasonably requested by the Corporation or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. To enforce the provisions of this Section, the Corporation may impose stop-transfer instructions with respect to the Common Stock until the end of the applicable stand-off period.

SECTION 11. RIGHT TO COMPEL SALE (DRAG-ALONG RIGHTS)

Notwithstanding any provision of this Agreement to the contrary, if at any time the Board of Directors approves a sale of the Corporation, Purchaser agrees that he or she will consent to and raise no objections against the sale of the Corporation, and if the sale of the Corporation is structured as (i) a merger or consolidation of the Corporation, or a sale of all or substantially all of the assets of the Corporation, Purchaser will waive any dissenters' rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) a sale of all or substantially all of the Common Stock of the Corporation, Purchaser agrees to sell all of his or her shares of Common Stock acquired under the Plan in the sale of the Corporation, on the terms and conditions approved by the Board of Directors. Purchaser hereby agrees to take all necessary and desirable actions approved by the Board of Directors in connection with the consummation of the sale of the Corporation, including voting for, giving written consent to the sale of the Corporation and executing such agreements and such instruments and completing other actions reasonably necessary to (x) provide customary representations, warranties, indemnities, and escrow arrangements relating to such sale of the Corporation and (y) effectuate the allocation and distribution of the aggregate consideration upon the sale of the Corporation.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

SECTION 12. OTHER NECESSARY ACTIONS.

The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

SECTION 13. NOTICE.

Any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon the earliest of personal delivery, receipt or the third full day following deposit in the United States Post Office with postage and fees prepaid, addressed to the other party hereto at the address last known or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

SECTION 14. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of the successors and assigns of the Corporation and, subject to the restrictions on transfer herein set forth, be binding upon Purchaser and Purchaser's heirs, executors, administrators, successors and assigns. The failure of the Corporation in any instance to exercise the Right of First Refusal, Purchase Right, Transfer Restriction or other right described herein shall not constitute a waiver of any of such rights as may subsequently arise under the provisions of this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of a like or different nature.

SECTION 15. APPLICABLE LAW.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of [Delaware], as such laws are applied to contracts entered into and performed in such state.

SECTION 16. NO ORAL MODIFICATION.

No modification of this Agreement shall be valid unless made in writing and signed by the parties hereto.

SECTION 17. ENTIRE AGREEMENT.

This Agreement, the Option Agreement and the Plan constitute the entire complete and final agreement between the parties hereto with regard to the subject matter hereof.

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TENABLE NETWORK SECURITY, INC.

[Name of Optionee] (PURCHASER)

By _____

Signature

Its _____

TENABLE NETWORK SECURITY, INC.
EXHIBIT A TO STOCK OPTION AGREEMENT
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT
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ANNEX I

**ACKNOWLEDGMENT OF AND AGREEMENT TO BE BOUND
BY THE NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT OF
TENABLE NETWORK SECURITY, INC.**

The undersigned, as transferee of shares of Tenable Network Security, Inc. hereby acknowledges that he or she has read and reviewed the terms of the Notice of Exercise and Common Stock Purchase Agreement of Tenable Network Security, Inc. and hereby agrees to be bound by the terms and conditions thereof, as if the undersigned had executed said Agreement as an original party thereto.

Dated: , .

(Signature of Transferee)

(Printed Name of Transferee)

TENABLE NETWORK SECURITY, INC.
ANNEX I TO
NOTICE OF EXERCISE AND COMMON STOCK PURCHASE AGREEMENT

EXHIBIT B

U.S. FEDERAL TAX INFORMATION

(Current as of May 23, 2013)

The following memorandum briefly summarizes current U.S. federal income tax law. The discussion is intended to be used solely for general information purposes and does not make specific representations to any participant. A taxpayer's particular situation may be such that some variation of the basic rules is applicable to him or her. In addition, the U.S. federal income tax laws and regulations are revised frequently and may change again in the future. Each participant is urged to consult a tax advisor, both with respect to U.S. federal income tax consequences as well as any foreign, state or local tax consequences, before exercising any option or before disposing of any shares of stock acquired under the Plan.

Initial Grant of Options

The grant of an option, whether a nonqualified or nonstatutory stock option ("NSO") or an incentive stock option ("ISO"), is not a taxable event for the optionee, and the Corporation obtains no deduction for the grant of the option. Note, however, that under Section 409A of the Internal Revenue Code, options granted at a discount from fair market value may be considered "deferred compensation" subject to adverse tax consequences, including immediate income tax upon the vesting of the option (whether or not exercised) and a 20% tax penalty.

Nonqualified or Nonstatutory Stock Options

The exercise of an NSO is a taxable event to the optionee on the date of exercise. The amount by which the fair market value of the shares on the date of taxation exceeds the exercise price (the "spread") will be taxed to the optionee as ordinary income. If the option was granted to an employee, the spread will also be considered "wages" for purposes of FICA taxes. The Corporation will be entitled to a deduction in the same amount as the ordinary income recognized by the optionee from the exercise of the option that is reported to the IRS by the optionee or the Corporation. In general, the optionee's tax basis in the shares acquired by exercising an NSO is equal to the fair market value of such shares on the date of taxation. The optionee's holding period for capital gains treatment will begin on the date of taxation. Upon a subsequent sale of any such shares in a taxable transaction, the optionee will realize capital gain or loss (long-term or short-term, depending on whether the required holding period was met before the sale) in an amount equal to the difference between his or her basis in the shares and the sale price.

The capital gains tax rules are complex. If shares are held for more than one year, for gain recognized on or after January 1, 2013, the maximum tax rate on the gain has been increased from fifteen percent (15%) to twenty percent (20%) to the extent that a taxpayer's income exceeds certain thresholds, which are indexed for inflation (generally, for 2013, \$400,000 for single filers, \$225,000 for married filing separately, or \$450,000 for joint filers).

Internal Revenue Service regulations generally provide that, for the purpose of avoiding federal tax penalties, a taxpayer may rely only on formal written advice meeting specific requirements. The tax discussion in this document does not meet those requirements. Accordingly, the tax discussion was not intended or written to be used, and it cannot be used, for the purpose of avoiding federal tax penalties that may be imposed on you. Further, the tax discussion in this document could be considered to support the promotion or marketing of the transaction or matter discussed herein. You and any other person reading the tax discussion should seek advice based on his, her or its particular circumstances from an independent tax advisor.

Remaining taxpayers continue to be subject to up to a fifteen percent (15%) long-term capital gains rate. For tax years beginning on or after January 1, 2013, high income taxpayers will also be subject to a new additional Medicare tax of 3.8% on some or all of their net investment income, including capital gain income if their “modified adjusted gross income” (both earned and investment) exceeds certain thresholds (generally, \$200,000 for single filers, \$125,000 for married filing separately, or \$250,000 for joint filers). Because the rules are complex and can vary in individual circumstances, each participant should consider consulting his or her own tax advisor.

If an optionee exercises an NSO and pays the exercise price with previously acquired shares of stock, special rules apply. The transaction is treated as a tax-free exchange of the old shares for the same number of new shares, except as described below with respect to shares acquired pursuant to ISOs. The optionee’s basis in the new shares is the same as his or her basis in the old shares, and the capital gains holding period runs without interruption from the date when the old shares were acquired. The value of any new shares received by the optionee in excess of the number of old shares surrendered minus any cash the optionee pays for the new shares will be taxed as ordinary income. The optionee’s basis in the additional shares is equal to the fair market value of such shares on the date the shares were transferred, and the capital gain holding period commences on the same date. The effect of these rules is to defer recognition of any gain in the old shares when those shares are used to buy new shares. Stated differently, these rules allow an optionee to finance the exercise of an NSO by using shares of stock that he or she already owns, without paying current tax on any unrealized appreciation in those old shares.

Incentive Stock Options

The holder of an ISO will not for U.S. federal income tax purposes recognize taxable income upon the exercise of the ISO, and the Corporation will not be entitled to a tax deduction by reason of such exercise, provided that the holder is employed by the Corporation on the exercise date (or the holder’s employment terminated within the three (3) months preceding the exercise date). Exceptions to this exercise timing requirement may apply in the event the optionee dies or becomes disabled. The exercise of an option entitled to favorable ISO tax treatment at the time of exercise may, however, result in liability for the alternative minimum tax, discussed below. An option intended to be an ISO which is not exercised in compliance with the ISO timing requirements is treated as an NSO for tax purposes. A subsequent sale of the shares received upon the exercise of an ISO entitled to favorable ISO tax treatment at the time of exercise will result in the realization of long-term capital gain or loss in the amount of the difference between the amount realized on the sale and the exercise price for such shares, provided that the sale occurs more than one (1) year after the exercise of the ISO and more than two (2) years after the grant of the ISO. In general, if a sale or disposition of the shares occurs prior to satisfaction of the foregoing holding periods (referred to as a “disqualifying disposition”), the optionee will recognize ordinary income at the time of the sale or disposition in an amount equal to the excess of the fair market value of the shares on the option exercise date of those shares over the exercise price paid for those shares. If the disqualifying disposition is effected by means of an arm’s length sale or exchange with an unrelated party, the ordinary income will be limited to the amount by which the amount realized upon the disposition of the shares or their fair market value on the exercise date, whichever is less, exceeds the exercise price paid for the shares. The amount of an optionee’s disqualifying disposition income will be reported by the Corporation to the Internal Revenue Service. Any additional gain recognized upon the disqualifying disposition will be capital gain, which will be long-term if the shares have been held for more than one (1) year following the exercise date of the option.

Favorable ISO tax treatment is accorded to an optionee at the time of exercise only to the extent that the value of the shares (determined at the time of grant) covered by an ISO first exercisable in any single calendar year does not exceed one hundred thousand dollars (\$100,000). If ISOs for shares whose aggregate value exceeds one hundred thousand dollars (\$100,000) become exercisable in the same calendar year, the excess will be treated as NSOs.

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A special rule applies if an optionee pays all or part of the exercise price of an ISO by surrendering shares of stock that he or she previously acquired by exercising any other ISO. If the optionee has not held the old shares for the full duration of the applicable holding periods, then the surrender of such shares to fund the exercise of the new ISO will be treated as a disqualifying disposition of the old shares. As described above, the result of a disqualifying disposition is the loss of favorable tax treatment with respect to the acquisition of the old shares pursuant to the previously exercised ISO.

Where the applicable holding period requirements have been met, the use of previously acquired shares of stock to pay all or a portion of the exercise price of an ISO may offer significant tax advantages. In particular, a deferral of the recognition of any appreciation in the surrendered shares is available in the same manner as discussed above with respect to NSOs.

Alternative Minimum Tax

Alternative minimum tax is paid when such tax exceeds a taxpayer's regular U.S. federal income tax. Alternative minimum tax is calculated based on alternative minimum taxable income, which is taxable income for U.S. federal income tax purposes, modified by certain adjustments and increased by tax preference items.

The "spread" under an ISO—that is, the difference between (a) the fair market value of the shares of stock at exercise and (b) the exercise price—is classified as alternative minimum taxable income for the year of exercise. Alternative minimum taxable income may be subject to the alternative minimum tax. However, if the shares of stock purchased upon the exercise of an ISO are sold in the same taxable year in which alternative minimum taxable income is recognized, then the amount includible in the taxpayer's alternative minimum taxable income will not exceed the amount realized upon such sale less the option exercise price paid for those shares.

In general, when a taxpayer sells stock acquired through the exercise of an ISO, only the difference between the fair market value of the shares on the date of exercise and the date of sale is used in computing any alternative minimum tax for the year of the sale. The portion of a taxpayer's alternative minimum tax attributable to certain items of tax preference (including the alternative minimum taxable income from an ISO) can be credited against the taxpayer's regular liability in later years subject to certain limitations.

Withholding Taxes

Exercise of an NSO produces taxable income which, in the case of an option granted to an employee, is subject to income and FICA tax withholding. The Corporation will not deliver shares to the optionee unless the optionee has agreed to satisfactory arrangements for meeting all applicable U.S. federal, state and local withholding tax requirements.

U.S. federal tax law does not require unrecognized gain on exercise of an ISO to be treated as "wages" for the purposes of FICA taxes.

THIS TAX SUMMARY IS GENERAL IN NATURE AND SHOULD NOT BE RELIED UPON BY ANY PERSON IN DECIDING WHETHER OR WHEN TO EXERCISE AN OPTION. EACH PERSON SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THESE MATTERS.

TENABLE NETWORK SECURITY, INC.
EXHIBIT B TO STOCK OPTION AGREEMENT
U.S. FEDERAL TAX INFORMATION

AMENDED AND RESTATED
TENABLE HOLDINGS, INC.
2002 STOCK INCENTIVE PLAN

1. PURPOSE

The Amended and Restated Tenable Holdings, Inc., 2002 Stock Incentive Plan is intended to promote the best interests of Tenable Holdings, Inc. and its stockholders by (i) assisting the Corporation and its Affiliates in the recruitment and retention of persons with ability and initiative, (ii) providing an incentive to such persons to contribute to the growth and success of the Corporation's businesses by affording such persons equity participation in the Corporation and (iii) associating the interests of such persons with those of the Corporation and its affiliates and stockholders.

This Plan was originally adopted by Tenable Network Security, Inc. on May 23, 2003 and terminated on May 23, 2013, except that outstanding Options and Stock Awards that were granted under the Plan prior to its termination continue to be administered under the terms of the Plan until the Options and Stock Awards terminate or are exercised. The Plan was assumed in its entirety by the Corporation pursuant to a Transfer, Assumption of and Amendment Agreement, dated December 18, 2015. The Plan was then amended and restated in its present form on December 18, 2015 (the "Restatement Date") pursuant to resolutions by the Board on such date to reflect the assumption of the sponsorship of the Plan and all Options then outstanding thereunder by the Corporation and the terms of the Plan as amended and restated herein shall apply to all Options granted to any Eligible Person under the Plan prior to the Restatement Date. No additional awards may be granted under the Plan.

2. DEFINITIONS

As used in this Plan the following definitions shall apply:

- A. "Affiliate" means (i) any Subsidiary, (ii) any Parent, (iii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled fifty percent (50%) or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Corporation or one of its Affiliates, and (iv) any other entity in which the Corporation or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee.
- B. "Board" means the Board of Directors of the Corporation.
- C. "Cause" means (i) in the case where the Participant does not have an employment, consulting or similar agreement in effect with the Corporation or its Affiliate at the time of grant of the Option or Stock Award or where there is such an agreement but it does not define "cause" (or words of like import), conduct related to the Participant's service to the Corporation or an Affiliate for which either criminal or civil penalties against the Participant may be sought, misconduct, insubordination, material violation of Corporation or its Affiliate's policies, disclosing or misusing any confidential information or material concerning the Corporation or any Affiliate or material breach of any employment, consulting agreement or similar agreement, or (ii) in the case where the Participant has an employment agreement, consulting agreement or similar agreement in effect with the Corporation or its Affiliate at the time of grant of the Option or Stock Award that defines a termination for "cause" (or words of like import), "cause" as defined in such agreement; provided, however, that with regard to any agreement that defines "cause" on occurrence of or in connection with change of control, such definition of "cause" shall not apply until a change of control actually occurs and then only with regard to a termination thereafter.

- D. “Code” means the Internal Revenue Code of 1986, and any amendments thereto.
- E. “Committee” means the Board or any Committee of the Board to which the Board has delegated any responsibility for the implementation, interpretation or administration of the Plan.
- F. “Common Stock” means the common stock, \$0.01 par value, of the Corporation.
- G. “Consultant” means (i) any person performing consulting or advisory services for the Corporation or any Affiliate, or (ii) a director of an Affiliate.
- H. “Continuous Service” means that the Participant’s service with the Corporation or an Affiliate, whether as an employee, Director or Consultant, is not interrupted or terminated. A Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Corporation or an Affiliate as an employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s Continuous Service. The Participant’s Continuous Service shall be deemed to have terminated either upon an actual termination or upon the company for which the Participant is performing services ceasing to be an Affiliate of the Corporation. The Committee shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Corporation, including sick leave, military leave or any other personal leave. Whether a termination of Continuous Service shall have occurred for purposes of the Plan shall be determined by the Committee, which determination shall be final, binding and conclusive. In the event that any award under the Plan is treated as nonqualified deferred compensation subject to the provisions of Section 409A of the Code, a payment event by reason of a termination of Continuous Service shall, if necessary to comply with Section 409A of the Code, occur with respect to such award only if such termination of Continuous Service also qualifies a separation from service within the meaning of Section 409A of the Code.
- I. “Corporation” means Tenable Holdings, Inc., a Delaware corporation.

- J. “Corporation Law” means the general corporation law of the jurisdiction of incorporation of the Corporation.
- K. “Director” means a member of the Board.
- L. “Disability” shall have the meaning provided for in Section 22(e)(3) of the Code or any successor statute thereto. In the event that any award under the Plan is treated as nonqualified deferred compensation subject to the provisions of Section 409A of the Code, a payment event by reason of a Disability shall, if necessary to comply with Section 409A of the Code, occur with respect to such award only if such Disability also qualifies the Participant as disabled within the meaning of Section 409A(a)(2)(C) of the Code.
- M. “Eligible Person” means an employee of the Corporation or an Affiliate (including a corporation that becomes an Affiliate after the adoption of this Plan), a Director or a Consultant to the Corporation or an Affiliate (including a corporation that becomes an Affiliate after the adoption of this Plan).
- N. “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- O. “Fair Market Value” means, on any given date, the current fair market value of the shares of Common Stock as determined as follows:
- (i) If the Common Stock is traded on The Nasdaq Stock Market or is listed on a national securities exchange, the closing price for the day of determination as quoted on such market or exchange which is the primary market or exchange for trading of the Common Stock or if no trading occurs on such date, the last day on which trading occurred, or such other appropriate date as determined by the Committee in its discretion, as reported in The Wall Street Journal or such other source as the Committee deems reliable;
 - (ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high and the low asked prices for the Common Stock for the day of determination; or
 - (iii) In the absence of an established market for the Common Stock, Fair Market Value shall be determined by the Committee in good faith.
- P. “Incentive Stock Option” means an Option (or portion thereof) intended to qualify for special tax treatment under Section 422 of the Code.
- Q. “Listing Date” means the date on which the Corporation has a class of equity securities registered under Section 12 of the Securities Act.
- R. “Nonqualified Stock Option” means an Option (or portion thereof) which is not intended or does not for any reason qualify as an Incentive Stock Option.

- S. “Option” means any option to purchase shares of Common Stock granted under this Plan.
- T. “Parent” means any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation if each of the corporations (other than the Corporation) owns stock possessing at least fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain.
- U. “Participant” means an Eligible Person who is selected by the Committee to receive an Option or Stock Award and is party to a Stock Option Agreement or Stock Award Agreement.
- V. “Plan” means this Amended and Restated Tenable Holdings, Inc. 2002 Stock Incentive Plan.
- W. “Restricted Stock Award” means an award of Common Stock under Section 7.B.
- X. “Securities Act” means the Securities Act of 1933 as amended.
- Y. “Stock Award” means a Stock Bonus Award, Restricted Stock Award or Stock Appreciation Right.
- Z. “Stock Appreciation Right” means an award of a right of the Participant under Section 7.C. to receive a payment based on the increase in Fair Market Value of the shares of Common Stock covered by the award.
- AA. “Stock Award Agreement” means an agreement (written or electronic) between the Corporation and a Participant setting forth the specific terms and conditions of a Stock Award granted to the Participant under Section 7. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan and shall include such terms and conditions as the Committee shall authorize.
- BB. “Stock Bonus Award” means an award of Common Stock under Section 7.A.
- CC. “Stock Option Agreement” means an agreement (written or electronic) between the Corporation and a Participant setting forth the specific terms and conditions of an Option granted to the Participant. Each Stock Option Agreement shall be subject to the terms and conditions of the Plan and shall include such terms and conditions as the Committee shall authorize.
- DD. “Subsidiary” means any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing at least fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations in such chain.

EE. “Ten Percent Owner” means any Eligible Person owning at the time an Option is granted more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation or of an Affiliate. An individual shall, in accordance with Section 424(d) of the Code, be considered to own any voting stock owned (directly or indirectly) by or for his brothers, sisters, spouse, ancestors and lineal descendants and any voting stock owned (directly or indirectly) by or for a corporation, partnership, estate or trust shall be considered as being owned proportionately by or for its stockholders, partners or beneficiaries.

3. ADMINISTRATION

A. Delegation of Administration. The Board shall be the sole Committee of the Plan unless the Board delegates all or any portion of its authority to administer the Plan to a Committee. To the extent not prohibited by the charter or bylaws of the Corporation, the Board may delegate all or a portion of its authority to administer the Plan to a Committee of the Board appointed by the Board and constituted in compliance with the applicable Corporation Law.

B. Powers of the Committee. Subject to the provisions of the Plan, and in the case of a Committee appointed by the Board, the specific duties delegated to such Committee, the Committee shall have the authority:

(i) To construe and interpret all provisions of this Plan and all Stock Option Agreements and Stock Award Agreements under this Plan.

(ii) To determine the Fair Market Value of Common Stock.

(iii) To select the Eligible Persons to whom Options or Stock Awards, are granted from time to time hereunder.

(iv) To determine the number of shares of Common Stock covered by an Option or Stock Award; determine whether an Option shall be an Incentive Stock Option or Nonqualified Stock Option; and determine such other terms and conditions, not inconsistent with the terms of the Plan, of each such Option or Stock Award. Such terms and conditions include, but are not limited to, the exercise price of an Option, purchase price of Common Stock subject to a Stock Award, the time or times when Options or Stock Awards may be exercised or Common Stock issued thereunder, the right of the Corporation to repurchase Common Stock issued pursuant to the exercise of an Option or a Stock Award and other restrictions or limitations (in addition to those contained in the Plan) on the forfeitability or transferability of Options, Stock Awards or Common Stock issued upon exercise of an Option or pursuant to a Stock Award. Such terms may include conditions shall be as determined by the Committee and need not be uniform with respect to Participants.

(v) To accelerate the time at which any Option or Stock Award may be exercised, or the time at which a Stock Award or Common Stock issued under the Plan may become transferable or nonforfeitable.

(vi) To determine whether and under what circumstances an Option may be settled in cash, shares of Common Stock or other property under Section 6.1 instead of Common Stock.

(vii) To amend, cancel, extend, renew, accept the surrender of, modify or accelerate the vesting of or lapse of restrictions on all or any portion of an outstanding Option or Stock Award; and to reduce the exercise price of any Option.

(viii) To prescribe the form of Stock Option Agreements and Stock Award Agreements; to adopt policies and procedures for the exercise of Options or Stock Awards, including the satisfaction of withholding obligations; to adopt, amend, and rescind policies and procedures pertaining to the administration of the Plan; and to make all other determinations necessary or advisable for the administration of this Plan.

C. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee; provided that a Committee of the Board may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Committee or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

4. ELIGIBILITY

- A. Eligibility for Awards. Nonqualified Stock Options and Stock Awards may be granted to any Eligible Person selected by the Committee. Incentive Stock Options may be granted only to employees of the Corporation or a Parent or Subsidiary.
- B. Eligibility of Consultants. A Consultant shall be an Eligible Person only if the offer or sale of the Corporation's securities would be exempt from registration under Rule 701 under the Securities Act prior to the date the Corporation is required to file reports under Section 13 or 15(d) of the Exchange Act, or eligible for registration on Form S-8 Registration Statement, on and following the date the Corporation is required to file reports under Section 13 or 15(d) of the Exchange Act, because, in either case, of the identity and nature of the service provided by such person, unless the Corporation determines that an offer or sale of the Corporation's securities to such person will satisfy another exemption from the registration under the Securities Act and complies with the securities laws of all other jurisdictions applicable to such offer or sale.
- C. Substitution Awards. The Administrator may make Stock Awards and may grant Options under the Plan by assumption, substitution or replacement of performance shares, phantom shares, stock awards, stock options, stock appreciation rights or similar awards granted by another company (including an Affiliate), if such assumption, substitution or replacement is connection with an asset acquisition, merger, consolidation or similar transaction involving the Corporation (and/or its Affiliate) and such other company (and/or its affiliate). Notwithstanding any provision of the Plan (other than the maximum number of shares of Common Stock that may be issued under the Plan), the terms of such assumed, substituted or replaced Stock Awards or Options shall be as the Administrator, in its discretion, determines is appropriate.

5. COMMON STOCK SUBJECT TO PLAN

- A. Share Reserve. Subject to adjustment as provided in Section 8, the maximum aggregate number of shares of Common Stock that may be (i) issued under this Plan pursuant to the exercise of Options, (ii) issued pursuant to Stock Bonus Awards and Restricted Stock Awards, and (iii) covered by Stock Appreciation Rights is 6,771,579 shares.
- B. Reversion of Shares. If an Option or Stock Award is terminated, expires or becomes unexercisable, in whole or in part, for any reason, the unissued or unpurchased shares of Common Stock (or shares subject to an unexercised Stock Appreciation Right) which were subject thereto shall not be available for future grant under the Plan. Shares of Common Stock that have been actually issued under the Plan shall not be returned to the share reserve for future grants under the Plan, including shares of Common Stock issued pursuant to a Stock Award which are repurchased by the Corporation at the original purchase price of such shares.
- C. Source of Shares. Common Stock issued under the Plan may be shares of authorized and unissued Common Stock or shares of previously issued Common Stock that have been reacquired by the Corporation.

6. OPTIONS

- A. Award. In accordance with the provisions of Section 4, the Committee will designate each Eligible Person to whom an Option is to be granted and will specify the number of shares of Common Stock covered by such Option. The Stock Option Agreement shall specify whether the Option is an Incentive Stock Option or Nonqualified Stock Option, the vesting schedule applicable to such Option and any other terms of such Option. No Option that is intended to be an Incentive Stock Option shall be invalid for failure to qualify as an Incentive Stock Option.
- B. Option Price. The exercise price per share for Common Stock subject to an Option shall be determined by the Committee, but shall comply with the following:
 - (i) The exercise price per share for Common Stock subject to a Nonqualified Stock Option shall be determined by the Committee.
 - (ii) The exercise price per share for Common Stock subject to an Incentive Stock Option:

- granted to a Participant who is deemed to be a Ten Percent Owner on the date such option is granted, shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date of grant.
 - granted to any other Participant, shall not be less than one hundred percent (100%) of the Fair Market Value on the date of grant.
- C. Maximum Option Period. The maximum period during which an Option may be exercised shall be determined by the Committee on the date of grant, except that no Option that is intended to be an Incentive Stock Option shall be exercisable after the expiration of ten years from the date such Option was granted. In the case of an Incentive Stock Option that is granted to a Participant who is or is deemed to be a Ten Percent Owner on the date of grant, such Option shall not be exercisable after the expiration of five years from the date of grant. The terms of any Option that is an Incentive Stock Option may provide that it is exercisable for a period less than such maximum period.
- D. Maximum Value of Options which are Incentive Stock Options. To the extent that the aggregate Fair Market Value of the Common Stock with respect to which Incentive Stock Options granted to any person are exercisable for the first time during any calendar year (under all stock option plans of the Corporation or any of its subsidiaries or parent, if any) exceeds One Hundred Thousand Dollars (\$100,000) (or such other amount provided in Section 422 of the Code), the Options are not Incentive Stock Options. For purposes of this section, the Fair Market Value of the Common Stock will be determined as of the time the Incentive Stock Option with respect to the Common Stock is granted. This section will be applied by taking Incentive Stock Options into account in the order in which they are granted.
- E. Nontransferability. Options granted under this Plan which are intended to be Incentive Stock Options shall be nontransferable except by will or by the laws of descent and distribution and during the lifetime of the Participant shall be exercisable by only the Participant to whom the Incentive Stock Option is granted. If the Stock Option Agreement so provides or the Committee so approves, a Nonqualified Stock Option may be transferred by a Participant to the Participant's children, stepchildren, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners; provided, however, that Participant may not receive any consideration for the transfer. The holder of a Nonqualified Stock Option transferred pursuant to this section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant. Except to the extent transferability of a Nonqualified Stock Option is provided for in the Stock Option Agreement or is approved by the Committee, during the lifetime of the Participant to whom the Nonqualified Stock Option is granted, such Option may be exercised only by the Participant. No right or interest of a Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

F. Vesting and Termination of Continuous Service. Except as provided in a Stock Option Agreement, the following rules shall apply:

(i) Options will vest as provided in the Stock Option Agreement. An Option will be exercisable only to the extent that it is vested on the date of exercise. Vesting of an Option will cease on the date of the Participant's termination of Continuous Service and the Option will be exercisable only to the extent the Option is vested on the date of termination of Continuous Service.

(ii) If the Participant's termination of Continuous Service is for reason of death or Disability, the right to exercise the Option (to the extent vested) will expire on the earlier of (i) one (1) year after the date of the Participant's termination of Continuous Service, or (ii) the expiration date under the terms of the Agreement. Until the expiration date, the Participant's heirs, legatees or legal representative may exercise the Option, except to the extent the Option was previously transferred pursuant to Section 6.E.

(iii) If the Participant's termination of Continuous Service is an involuntary termination without Cause or a voluntary termination (other than a voluntary termination described in Section 6.F.(iv)), the right to exercise the Option (to the extent that it is vested) will expire on the earlier of (i) three (3) months after the date of the Participant's termination of Continuous Service, or (ii) the expiration date under the terms of the Agreement. If the Participant's termination of Continuous Service is an involuntary termination without Cause or a voluntary termination (other than a voluntary termination described in Section 6.F.(iv)) and the Participant dies after his or her termination of Continuous Service but before the right to exercise the Option has expired, the right to exercise the Option (to the extent vested) shall expire on the earlier of (i) one (1) year after the date of the Participant's termination of Continuous Service or (ii) the date the Option expires under the terms of the Stock Option Agreement, and, until expiration, the Participant's heirs, legatees or legal representative may exercise the Option, except to the extent the Option was previously transferred pursuant to Section 6.E.

(iv) If the Participant's termination of Continuous Service is for Cause or is a voluntary termination at any time after an event which would be grounds for termination of the Participant's Continuous Service for Cause, the right to exercise the Option shall expire as of the date of the Participant's termination of Continuous Service.

G. Exercise. An Option shall be exercised by completion, execution and delivery of notice (written or electronic) to Corporation of the Option which states (i) the Option holder's intend to exercise the option, (ii) the number of shares of Common Stock with respect to which the Option is being exercised, (iii) such other representations and agreements as may be required by the Corporation and (iv) the method for satisfying any applicable tax withholding as provided in Section 9. Such notice of exercise shall be provided on such form or by such method as the Committee may designate, and payment of the exercise price shall be made in accordance with Section 6.H. Subject to the provisions of this Plan and the applicable Stock Option Agreement, an Option may be exercised to the extent vested in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine.

A partial exercise of an Option shall not affect the right to exercise the Option from time to time in accordance with this Plan and the applicable Stock Option Agreement with respect to the remaining shares subject to the Option. An Option may not be exercised with respect to fractional shares of Common Stock.

- H. Payment. Unless otherwise provided by the Stock Option Agreement, payment of the exercise price for an Option shall be made in cash or a cash equivalent acceptable to the Committee. With the consent of the Committee, payment of all or part of the exercise price of an Option may also be made (i) by surrendering shares of Common Stock to the Corporation that have been held for at least six (6) months prior to the date of exercise, (ii) with a full-recourse promissory note, (iii) if the Common Stock is traded on an established securities market, the Committee may approve payment of the exercise price by a broker-dealer or by the Option holder with cash advanced by the broker-dealer if the exercise notice is accompanied by the Option holder's written irrevocable instructions to deliver the Common Stock acquired upon exercise of the Option to the broker-dealer, or (iv) any other method acceptable to the Committee. If Common Stock is used to pay all or part of the exercise price, the sum of the cash or cash equivalent and the Fair Market Value (determined as of the date of exercise) of the shares surrendered must not be less than the Option price of the shares for which the Option is being exercised. If all or part of the exercise price is to be paid with a full-recourse promissory note, the par value of the Common Stock, if newly issued, shall be paid in cash or cash equivalents. The shares received upon exercise of the Option shall be pledged as security for payment of the principal amount of the promissory note and interest thereon and the interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.
- I. Stockholder Rights. No Participant shall have any rights as a stockholder with respect to shares subject to an Option until the date of exercise of such Option and the certificate for shares of Common Stock to be received on exercise of such Option has been issued by the Corporation.
- J. Disposition and Stock Certificate Legends for Incentive Stock Option Shares. A Participant shall notify the Corporation of any sale or other disposition of Common Stock acquired pursuant to an Incentive Stock Option if such sale or disposition occurs (i) within two years of the grant of an Option or (ii) within one year of the issuance of the Common Stock to the Participant. Such notice shall be in writing and directed to the Secretary of the Corporation.

7. STOCK AWARDS

- A. Stock Bonus Awards. Each Stock Award Agreement for a Stock Bonus Award shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate.

The terms and conditions of Stock Award Agreements for Stock Bonus Awards may change from time to time, and the terms and conditions of separate Stock Bonus Awards need not be identical, but each Stock Bonus Award shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

- (i) Consideration. A Stock Bonus Award may be granted in consideration for past services actually rendered to the Corporation or an Affiliate for its benefit.
 - (ii) Vesting. Shares of Common Stock granted under the Stock Bonus Award may, but need not, be subject to a vesting schedule and may, but need not, be subject to a share repurchase option in favor of the Corporation as determined by the Committee.
 - (iii) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Bonus Award.
 - (iv) Transferability. Rights to acquire shares of Common Stock under the Stock Bonus Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement, as the Committee shall determine in its discretion, so long as Common Stock granted under the Stock Bonus Award remains subject to the terms of the Stock Award Agreement.
- B. Restricted Stock Awards. Each Stock Award Agreement for a Restricted Stock Award shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. The terms and conditions of the Stock Award Agreements for Restricted Stock Awards may change from time to time, and the terms and conditions of separate Restricted Stock Awards need not be identical, but each Restricted Stock Award shall include (through incorporation of the provisions hereof by references in the agreement or otherwise) the substance of each of the following provisions.
- (i) Purchase Price. The purchase price of restricted stock awards shall be determined by the Committee.
 - (ii) Consideration. The purchase price of Common Stock acquired pursuant to the Restricted Stock Award shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Committee, according to a deferred payment or other similar arrangement with the Participant; or (iii) in any other form of legal consideration that may be acceptable to the Committee in its discretion; provided, however, that payment of the Common Stock's "par value" shall not be made by deferred payment.
 - (iii) Vesting. Shares of Common Stock acquired under a Restricted Stock Award may, but need not, be subject to a share repurchase option in favor of the Corporation in accordance with a vesting schedule to be determined by the Committee.

(iv) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Award Agreement for such Restricted Stock Award.

(v) Transferability. Rights to acquire shares of Common Stock under a Restricted Stock Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement for such Restricted Stock Award, as the Committee shall determine in its discretion, so long as Common Stock granted under the Restricted Stock Award remains subject to the terms of the Stock Award Agreement.

C. Stock Appreciation Rights. Each Stock Award Agreement for Stock Appreciation Rights shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. The terms and conditions of Stock Appreciation Rights may change from time to time, and the terms and conditions of separate Stock Appreciation Rights need not be identical, but each Stock Appreciation Right shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Benefit Provided. Each Stock Appreciation Right shall provide the Participant with the right to receive payment in cash or shares of Common Stock having a Fair Market Value, as designated in the Stock Award Agreement for such Stock Appreciation Rights, of an amount equal to the difference between the Fair Market Value of the Common Stock on the date of grant of such award and the Fair Market Value of the Common Stock on the date of exercise of such Stock Appreciation Right.

(ii) Tandem Awards. Stock Appreciation Rights may be granted either alone or a tandem with other awards, including Options, under the Plan.

(iii) Vesting. The Stock Award Agreement for a Stock Appreciation Right shall provide the vesting schedule applicable to such award and may, but need not, provide that shares of Common Stock acquired upon exercising a Stock Appreciation Right are subject to a repurchase option in favor of the Corporation.

(iv) Participant's Termination of Service. In the event of a Participant's termination of Continuous Service, the Corporation may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Appreciation Right.

(v) Transferability. Rights to acquire cash or shares of Common Stock under a Stock Appreciation Rights shall be transferable by the Participant only upon such terms and conditions as are set forth in the agreement, as the Committee shall determine in its discretion, so long as Common Stock received under the stock appreciation rights agreement remains subject to the terms of the stock appreciation rights agreement.

8. CHANGES IN CAPITAL STRUCTURE

- A. No Limitations of Rights. The existence of outstanding Options or Stock Awards shall not affect in any way the right or power of the Corporation or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital structure or its business, or any merger or consolidation of the Corporation, or any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Corporation, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.
- B. Changes in Capitalization. If the Corporation shall effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving consideration therefore in money, services or property, then (i) the number, class, and per share price of shares of Common Stock subject to outstanding Options and Stock Awards hereunder and (ii) the number and class of shares then reserved for issuance under the Plan shall be appropriately and proportionately adjusted. The conversion of convertible securities of the Corporation shall not be treated as effected "without receiving consideration." The Committee shall make such adjustments, and its determinations shall be final, binding and conclusive. The Committee shall make such adjustments, and its determinations shall be final, binding and conclusive. Any such adjustment of an Option or Stock Award which is not subject to Section 409A of the Code shall be made in a manner which does not result in the Option or Stock Award being subject to Section 409A.
- C. Merger, Consolidation or Asset Sale. If the Corporation is merged or consolidated with another entity or sells or otherwise disposes of substantially all of its assets to another company while Options or Stock Awards remain outstanding under the Plan, unless provisions are made in connection with such transaction for the continuance of the Plan and/or the assumption or substitution of such Options or Stock Awards with new options or stock awards covering the stock of the successor company, or parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices, then all outstanding Options and Stock Awards which have not been continued, assumed or for which a substituted award has not been granted shall, whether or not vested or then exercisable, terminate immediately as of the effective date of any such merger, consolidation or sale. The actions under this paragraph shall be effected in a manner which does not result in an Option or Stock Award which is not subject to Section 409A of the Code being subject to taxation under Section 409A of the Code.
- D. Limitation on Adjustment. Except as previously expressly provided, neither the issuance by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Corporation convertible into such shares or other securities, nor the increase or decrease of the number of authorized shares of stock, nor the addition or deletion of classes of stock, shall affect, and no adjustment by reason thereof shall be made with respect to, the number, class or price of shares of Common Stock then subject to outstanding Options or Stock Awards.

9. WITHHOLDING OF TAXES

The Corporation or an Affiliate shall have the right, before any certificate for any Common Stock is delivered, to deduct or withhold from any payment owed to a Participant any amount that is necessary in order to satisfy any withholding requirement that the Corporation or Affiliate in good faith believes is imposed upon it in connection with Federal, state, or local taxes, including transfer taxes, as a result of the issuance of, or lapse of restrictions on, such Common Stock, or otherwise require such Participant to make provision for payment of any such withholding amount. Subject to such conditions as may be established by the Committee, the Committee may permit a Participant to (i) have Common Stock otherwise issuable under an Option or Stock Award withheld to the extent necessary to comply with minimum statutory withholding rate requirements for supplemental income, (ii) tender back to the Corporation shares of Common Stock received pursuant to an Option or Stock Award to the extent necessary to comply with minimum statutory withholding rate requirements for supplemental income, (iii) deliver to the Corporation previously acquired Common Stock, (iv) have funds withheld from payments of wages, salary or other cash compensation due to the Participant, or (v) pay the Corporation or its Affiliate in cash, in order to satisfy part or all of the obligations for any taxes required to be withheld or otherwise deducted and paid by the Corporation or its Affiliate with respect to the Option or Stock Award.

10. COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES

- A. General Requirements. No Option or Stock Award shall be exercisable, no Common Stock shall be issued, no certificates for shares of Common Stock shall be delivered, and no payment shall be made under this Plan except in compliance with all applicable federal and state laws and regulations (including, without limitation, withholding tax requirements), any listing agreement to which the Corporation is a party, and the rules of all domestic stock exchanges or quotation systems on which the Corporation's shares may be listed. The Corporation shall have the right to rely on an opinion of its counsel as to such compliance. Any share certificate issued to evidence Common Stock when a Stock Award is granted or for which an Option or Stock Award is exercised may bear such legends and statements as the Committee may deem advisable to assure compliance with federal and state laws and regulations. No Option or Stock Award shall be exercisable, no Stock Award shall be granted, no Common Stock shall be issued, no certificate for shares shall be delivered, and no payment shall be made under this Plan until the Corporation has obtained such consent or approval as the Committee may deem advisable from regulatory bodies having jurisdiction over such matters.

- B. Participant Representations. The Committee may require that a Participant, as a condition to receipt or exercise of a particular award, execute and deliver to the Corporation a written statement, in form satisfactory to the Committee, in which the Participant represents and warrants that the shares are being acquired for such person's own account, for investment only and not with a view to the resale or distribution thereof. The Participant shall, at the request of the Committee, be required to represent and warrant in writing that any subsequent resale or distribution of shares of Common Stock by the Participant shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer of sale or sale of such shares, obtain a prior favorable written opinion of counsel, in form and substance satisfactory to counsel for the Corporation, as to the application of such exemption thereto.

11. GENERAL PROVISIONS

- A. Effect on Employment and Service. Neither the adoption of this Plan, its operation, nor any documents describing or referring to this Plan (or any part thereof) shall (i) confer upon any individual any right to continue in the employ or service of the Corporation or an Affiliate, (ii) in any way affect any right and power of the Corporation or an Affiliate to change an individual's duties or terminate the employment or service of any individual at any time with or without assigning a reason therefor or (iii) except to the extent the Committee grants an Option or Stock Award to such individual, confer on any individual the right to participate in the benefits of the Plan.
- B. Use of Proceeds. The proceeds received by the Corporation from the sale of Common Stock pursuant to this Plan shall be used for general corporate purposes.
- C. Unfunded Plan. The Plan, insofar as it provides for grants, shall be unfunded, and the Corporation shall not be required to segregate any assets that may at any time be represented by grants under this Plan. Any liability of the Corporation to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.
- D. Rules of Construction. Headings are given to the Sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.
- E. Choice of Law. The Plan and all Stock Option Agreements and Stock Award Agreements entered into under the Plan shall (except to the extent any such Stock Option Agreement or Stock Award Agreement provides otherwise) be interpreted

under the Corporation Law excluding (to the greatest extent permissible by law) any rule of law that would cause the application of the laws of any jurisdiction other than the Corporation Law.

12. AMENDMENT AND TERMINATION

The Board may amend or terminate this Plan from time to time; provided, however, stockholder approval shall be required for any amendment that (i) increases the aggregate number of shares of Common Stock that may be issued under the Plan or (ii) changes the class of employees eligible to receive Incentive Stock Options. Except as specifically permitted by the Plan, Stock Option Agreement or Stock Award Agreement or as required to comply with applicable law, regulation or rule, no amendment shall, without a Participant's consent, adversely affect any rights of such Participant under any Option or Stock Award outstanding at the time such amendment is made; provided, however, that an amendment that may cause an Incentive Stock Option to become a Nonqualified Stock Option shall not be treated as adversely affecting the rights of the Participant. Any increase in the aggregate number of shares of Common Stock available under Plan or change in class of employees eligible to receive Incentive Stock Options shall be approved by the stockholders of the Corporation within twelve (12) months of the date such amendment is adopted by the Board.

NOTICE OF OPTION GRANT

TENABLE NETWORK SECURITY, INC. 2002 STOCK INCENTIVE PLAN

Tenable Network Security, Inc. (the "Corporation") grants to _____ (the "Optionee" or "you") this option effective as of _____ (the "Option Grant Date"), to purchase shares of Common Stock, \$0.01 par value, of the Corporation (the "Common Stock") pursuant to the Tenable Network Security, Inc. 2002 Stock Incentive Plan (the "Plan"). The Options are subject to the terms of this Notice of Option Grant, the Stock Option Agreement (the "Agreement"), which is attached to and made a part of this Agreement, and the terms and conditions of the Plan. Capitalized terms used in the Agreement have the same meaning as defined in the Plan.

1. Number of Shares of Common Stock Subject to Options: _____

2. Exercise Price Per Share: _____

3. Type of Option:

- Incentive Stock Options (within the meaning of Section 422 of the Code) to the extent permitted under the \$100,000 annual limit of Section 6.D of the Plan.
 Non-statutory Stock Options (i.e., options which are not intended to be incentive stock options within the meaning of Section 422 of the Code).

4. Vesting Commencement Date: _____ - _____, 20-_____.

5. Vesting Period: Options will become vested in accordance with the following schedule and rules:

Table with 2 columns: Period of Continuous Employment From Vesting Commencement Date, Percentage of Options Vested. Rows include: Less than six months (0), Month 6 to 12 (4.167% per month), and For each additional completed month of Continuous Employment following one year after the Vesting Commencement Date (An additional 2.083% per each additional month of the remaining 75% (100% vesting four years after the Vesting Commencement Date)).

6. Expiration Date of Options: This Option shall expire and cease to be exercisable on the tenth annual anniversary of the Option Grant Date.

By your signature below, you acknowledge that you have read and understand this Notice of Grant, the Agreement and the Plan, and agree that this Notice of Grant, the Agreement and the Plan govern the terms and conditions of the Option and the issuance of Common Stock to you.

Employee Signature: _____

Date: _____

Accepted this _____ day of _____, 20__

Tenable Network Security, Inc.
a Delaware corporation

By: _____

Name: _____

Title: _____

Optionee Initials_____

STOCK OPTION AGREEMENT

TENABLE NETWORK SECURITY, INC. 2002 STOCK INCENTIVE PLAN

I. PURPOSE.

The terms and conditions, restrictions and other provisions contained herein apply to the shares of Common Stock you acquire upon exercise of an Option under the Tenable Network Security, Inc. 2002 Stock Incentive Plan (the "Plan"). Except as provided herein, capitalized terms have the same meaning as defined in the Plan.

II. TERMS AND CONDITIONS OF STOCK OPTIONS.

- A. **Option Exercise:** As provided in the Plan, the following rules shall apply to termination of Continuous Service (as defined in Section 2.H of the Plan):
1. Notwithstanding any other provision of this Agreement, the Option shall expire, be forfeited and cease to be exercisable immediately upon your termination of Continuous Service for "cause" or your voluntary termination at any time after an event which would be grounds for termination for "cause." For this purpose, "cause" means conduct related to your service to the Corporation or an Affiliate for which either criminal or civil penalties against you may be sought; misconduct, insubordination, material violation of the Corporation's or an Affiliate's policies, disclosing or misusing any confidential information or material concerning the Corporation or Affiliate, or a material breach by you of any employment, consulting or other agreement between you and the Corporation or an Affiliate.
 2. An Option will be exercisable only to the extent that it is vested on the date of exercise. Vesting of an Option will cease on the date of the Optionee's termination of Continuous Service and the Option will be exercisable only to the extent the Option is vested on the date of termination of Continuous Service.
 3. If Optionee's termination of Continuous Service is by death or Disability (as defined in Section 2.L of the Plan), the right to exercise the Option (to the extent that it is vested) will expire on the earlier of: (i) one (1) year after the date of the Optionee's termination of Continuous Service; or (ii) the expiration date under the terms of this Agreement and the Plan. Until the expiration date, the Optionee's heirs, legatees or legal representative may exercise the Option.
 4. If the Optionee's termination of Continuous Service is for any reason other than death, Disability or "cause" (including a voluntary termination after an event which would be grounds for "cause"), the right to exercise the Option (to the extent that it is vested) will expire on the earlier of: (i) three (3) months after the date of the Optionee's termination of Continuous Service; or (ii) the expiration date under the terms of this Agreement and the Plan, provided that if the Optionee dies after his or her termination of Continuous Service but before the right to exercise the option *has* expired, the right to exercise the Option shall expire on the earlier of (i) one (1) year after the date of the Optionee's termination of Continuous Service, or (ii) the expiration date under the terms of this Agreement and the Plan, and, until expiration, the Optionee's heirs, legatees or legal representative may exercise the Option.
- B. **Exercise Rules.** Options may be exercised in accordance with the terms of the *Plan* and only to the extent they are outstanding, have become vested options in accordance with Section II.A above, and have yet expired in accordance with Section II.C.

C. **Termination Date.** Subject to earlier termination as provided in this Agreement and the Plan, the Options expire on the tenth annual anniversary of the Option Grant Date; unless earlier exercised.

ID. RESTRICTIONS ON TRANSFER OF SHARES.

A. **No Transfer of Shares of Common Stock.** Except as expressly provided herein, you agree that you will not sell, transfer, assign, pledge or otherwise dispose of, whether with or without consideration and whether voluntarily or involuntarily or by operation of law (any of the foregoing actions is referred to as a “Transfer”), any interest in any shares of Common Stock, except pursuant to the provisions of this Article III and Articles IV and V and subject to all other transfer restrictions applicable to you.

B. **Involuntary Transfers.** You understand that the shares of Common Stock may be transferred to your legal successors (your “Successors”) in the case of your death, judicial determination of mental incompetence, bankruptcy, or other transfer by operation of law pursuant to applicable laws governing intestacy, descent, distribution, succession, bankruptcy, divorce and other applicable laws (each of the foregoing transfers is referred to as an “Involuntary Transfer”). You understand and agree that your Successors will be bound by this Agreement and that the Corporation may elect to repurchase the shares of Common Stock from your Successors as provided herein following any Involuntary Transfer.

C. **Transfers in Violation of Agreement.** Any Transfer or attempted Transfer of any shares of Common Stock in violation of any provision of this Agreement shall be void, and the Corporation shall not record such transfer on its books or treat any purported transferee of such shares of Common Stock as the owner of such shares of Common Stock for any purpose. You understand that if you Transfer or attempt to Transfer the shares of Common Stock in violation of this Agreement or if the shares of Common Stock are transferred in an Involuntary Transfer, the Corporation may repurchase all or any portion of the Shares of Common Stock held by you or your Successors as described in Section IV below.

D. **Termination of Restrictions.** The restrictions on transferability of the shares of Common Stock under Articles III, IV and V hereof shall terminate: (i) upon the first sale of Common Stock of the Corporation to the public for an aggregate price to the public of at least Seven Million Five Hundred Thousand Dollars (\$7,500,000) pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933; or (ii) upon action of the Board, by a majority of the total number of directors then serving; provided, however, that no such termination shall be deemed to affect any restrictions imposed by any applicable Federal or state securities law, rule, regulation or order with respect to the ownership, sale or disposition by you of any of the shares of Common Stock.

IV. THE COMPANY’S RIGHT TO REPURCHASE SHARES OF COMMON STOCK.

A. **The Repurchase Right.** Upon any Repurchase Event, all shares of Common Stock, whether held by you or one or more of your Successors, will be subject to repurchase by the Corporation at its election pursuant to the terms and conditions set forth in this Article IV (the “Repurchase Right”). A “Repurchase Event” is the occurrence of your termination of Continuous Service, any prohibited Transfer, or attempted prohibited Transfer, or any Involuntary Transfer.

B. Ability to Repurchase. All repurchases of shares of Common Stock by the Corporation under this Agreement are subject to the Corporation's ability to repurchase the shares of Common Stock under applicable state law. In addition, the Corporation will not repurchase shares of Common Stock if such repurchase would cause the Corporation to violate or otherwise default any financial agreements of the Corporation.

C. Repurchase Price. The repurchase price (the "Repurchase Price") for all shares of Common Stock received upon exercise of the Option shall be the Fair Market Value of such shares of Common Stock as of the date of the Repurchase Event or as of a date determined by the Board or, in the case of a repurchase of shares of Common Stock pursuant to the Corporation's Right of First Refusal at such price as determined under Article V. "Fair Market Value" of the shares of Common Stock means the fair value of the shares of Common Stock determined in good faith by the Board, provided, however, that the Board shall be entitled, but is not required, to rely on a fair market value determination made not more than one year prior to date for which fair market value is then being determined.

D. Exercise of Repurchase Option. The Corporation may elect to purchase all, but not less than all, of your shares of Common Stock by delivering written notice (the "Repurchase Notice") to you any time within one year following any Repurchase Event. The Repurchase Notice shall set forth the number of shares of Common Stock to be acquired from you, the aggregate Repurchase Price to be paid for such shares of Common Stock, and the time and place for the closing of the repurchase (which shall occur not less than 5 and not more than 30 days after the giving of the Repurchase Notice).

E. Assignment of the Corporation's Repurchase Right. The Corporation will have the right to assign all or any portion of its purchase and repurchase rights under this Agreement to any affiliate of the Corporation.

F. Closing of the Repurchase. At the closing of the repurchase hereunder, you or your Successors shall deliver all certificates evidencing the shares of Common Stock to be repurchased (accompanied by duly executed stock powers) to the Corporation, and the Corporation (and/or any assignees) shall pay for the shares to be purchased pursuant to the Repurchase Right by delivery of either (i) a check or wire transfer of immediately available funds in the aggregate amount of the Repurchase Price for such shares or (ii) by a promissory note with interest at a rate no less than the Applicable Federal Rate for mid-term loans and with interest and principal due and fully payable in no more than four years (or such earlier date(s) as the Corporation shall determine) and secured by all shares purchased by the Corporation; provided that the Corporation may pay the Repurchase Price for such shares of Common Stock by offsetting amounts outstanding under any indebtedness or obligations owed by you to the Corporation. You, or your Successors as the case may be, agree to give the Corporation customary representations and warranties regarding good title to such shares, free and clear of any liens or encumbrances.

V. RIGHT OF FIRST REFUSAL.

A. Right of First Refusal. In the event that you propose to sell, pledge or otherwise transfer to a third party any of the shares of Common Stock, or any interest in such Common Stock, the Corporation shall have a right of first refusal (the "Right of First Refusal") with respect to all, but not less than an, of such shares. If you desire to transfer shares of Common Stock, you must give a written notice (the "Transfer Notice") to the Corporation describing fully the proposed transfer, including the number of shares proposed to be transferred, the proposed transfer price, the name and address of the proposed transferee and proof satisfactory to the Corporation that the proposed sale or transfer will not violate any applicable federal or state securities laws. The Transfer Notice must be signed both by you and the proposed transferee and must constitute a binding commitment of both parties to the transfer of the shares. The Corporation shall have the right to purchase all, and not less than all, of the shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Section V.B. below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Corporation.

B. **Transfer of Shares.** If the Corporation fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, you may, no later than 90 days following receipt of the Transfer Notice by the Corporation, conclude a transfer of the shares of Common Stock subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal and state securities laws and not in violation of any other contractual restrictions to which you are bound. Any proposed transfer on terms and conditions different from those permitted under Section V.A. and described in the Transfer Notice, as well as any subsequent proposed transfer by the purchaser (i) shall again be subject to the Corporation's Right of First Refusal and shall require compliance with the procedure described in Section V. A above and (ii) the shares of Common Stock shall continue to be subject to all other restrictions on transfer and repurchase rights provided in this Agreement. If the Corporation exercises its Right of First Refusal, the parties shall consummate the sale of the shares on the terms set forth in Article IV; provided, however, that in the event the Transfer Notice provided that payment for the shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Corporation shall have the option of paying for the shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

VI. DRAG-ALONG RIGHTS.

Notwithstanding any provision of this Agreement to the contrary, if at any time the Board approves a sale of all or substantially all of the Common Stock or assets of the Corporation or a merger or consolidation of the Corporation, (a "Transaction"), you agree that you will consent to and raise no objections against the Transaction, and if the Transaction is structured as (i) a merger or consolidation of the Corporation, or a sale of all or substantially all of the assets of the Corporation, you will waive any dissenters' rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) a sale of all or substantially all of the Common Stock of the Corporation, you agree to sell all of your shares of Common Stock in the sale, on the terms and conditions approved by the Board. You hereby agree to take all necessary and desirable actions approved by the Board in connection with the consummation of the Transaction, including giving your written consent to the Transaction and executing such agreements and such instruments and completing other actions reasonably necessary to (a) provide customary representations, warranties, indemnities, and escrow arrangements relating to such Transaction and (b) effectuate the allocation and distribution of the aggregate consideration upon the consummation of the Transaction.

VII. MISCELLANEOUS.

A. **Market Stand-Off.** In connection with the initial underwritten public offering of the Corporation's securities pursuant to a registration statement under the Securities Act of 1933, (i) you may not to sell, make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock obtained by the you (other than those shares included in the offering) under the Plan without the prior written consent of the Corporation or the underwriters managing such initial underwritten public offering of the Corporation's securities for a period of 180 days from the effective date of such registration statement and (ii) you may be required to execute any agreement reflecting clause (i) above as may be requested by the Corporation or the managing underwriters at the time of such offering.

B. **Additional Shares or Substituted Securities.** In the event of the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Corporation's outstanding securities without receipt of consideration, any new, substituted or additional securities or other property (including money paid other than as an ordinary cash dividend) which are by reason of such transaction distributed with respect to any shares of Common Stock subject to this Agreement or into which such shares thereby become convertible shall immediately be subject to the terms of this Agreement.

J. **Headings.** Headings of the sections and subsections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretative effect whatsoever.

**AMENDED AND RESTATED TENABLE HOLDINGS, INC. 2002 STOCK INCENTIVE PLAN
NOTICE OF STOCK OPTION EXERCISE**

OPTIONEE INFORMATION:

Name:
Address:

OPTION INFORMATION:

Date of Option Grant:
Exercise Price per Option Share:

EXERCISE INFORMATION:

Number of shares of common stock of Tenable Holdings, Inc. (the "Corporation") for which option is being exercised now: _____. (These shares are referred to below as the "Purchased Shares.")

Total Exercise Price for the Purchased Shares: \$ _____

FORM OF PAYMENT:

Form of payment enclosed [*check all that apply*]:

- Cash
 Check for \$ _____, made payable to "Tenable Holdings, Inc." Check No. _____

NOTE: You must also make arrangements with the Corporation for satisfying the withholding.

REPRESENTATIONS AND ACKNOWLEDGMENTS OF THE OPTIONEE:

- (1) I represent and warrant to the Corporation that I am acquiring and will hold the Purchased Shares for investment for my account only, and not with a view to, or for resale in connection with, any "distribution" of the Purchased Shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act").
- (2) I understand that the Purchased Shares have not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or I obtain an opinion of counsel (in form and substance satisfactory to the Corporation and its counsel) that registration is not required. I further understand and acknowledge that the Corporation is under no obligation to register the Purchased Shares.
- (3) I am aware that Rule 144 under the Securities Act permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions. These conditions include (without limitation) that certain current public information about the issuer is available, that the resale occurs only after the holding period required by Rule 144 has been satisfied, that the sale occurs through an unsolicited "broker's transaction" and that the amount of securities being sold during any three-month period does not exceed specified limitations. I understand that the conditions for resale set forth in Rule 144 have not been satisfied and that the Corporation has no plans to satisfy these conditions in the foreseeable future.
- (4) I will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act.
- (5) I acknowledge that I have received and had access to such information as I consider necessary or appropriate for deciding whether to invest in the Purchased Shares and that I had an opportunity to ask questions and receive answers from the Corporation regarding the terms and conditions of the issuance of the Purchased Shares.

(6) I am aware that my investment in the Corporation is a speculative investment which has limited liquidity and is subject to the risk of complete loss. I am able, without impairing my financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of my investment in the Purchased Shares.

(7) I acknowledge that the Purchased Shares remain subject to substantial restrictions, including the Corporation's right of repurchase, all in accordance with my Stock Option Agreement.

(8) I acknowledge that I am acquiring the Purchased Shares subject to all other terms of my Stock Option Agreement, as modified from time to time.

(9) I acknowledge that, if I am a party to that (i) certain Tenable Holdings, Inc. Right of First Refusal and Co-Sale Agreement, dated December 18, 2015 (as amended from time to time, the "Right of First Refusal and Co-Sale Agreement") and/or (ii) that certain Tenable Holdings, Inc. Voting Agreement, dated December 18, 2015 (as amended from time to time, the "Voting Agreement"), in each such case, whether pursuant to a Joinder Agreement or otherwise, the terms and provisions of the Right of First Refusal and Co-Sale Agreement and the Voting Agreement shall supersede the applicable terms and provisions of this Notice of Stock Option Exercise and my Stock Option Agreement, including with respect to any right of first refusal and drag-along rights.

SIGNATURE:

Employee

Date:



Tenable Network Security Inc.
 7021 Columbia Gateway Drive, Suite 500
 Columbia, MD 21046
 410.872.0555
 www.tenable.com

October 23, 2016

Mr. Amit Yoran

Dear Amit:

On behalf of Tenable Network Security, Inc. (the "Company"), I am pleased to offer you employment in the position of Chief Executive Officer, reporting to the Board of Directors of Tenable Holdings, Inc. ("Holdings"), the Company's parent (the "Board"). Upon acceptance of this offer, this letter sets forth our mutual agreement with respect to your employment with the Company (the "Letter Agreement"), which will start on a date mutually agreed to by you and the Company, but in no event later than January 1, 2017 (the "Commencement Date").

1. *Duties; Conduct During Employment.* As Chief Executive Officer, you will have duties and responsibilities typically associated with such position, together with such other duties and responsibilities consistent with your position as reasonably assigned to you from time to time by the Board. For so long as you are the Chief Executive Officer of the Company, you will serve as a member of the Board, without additional compensation; provided, however, that you will have no rights to attend any meetings (or portions thereof) held in executive session or any meetings (or portions thereof) where the item of discussion relates to your employment, including (but not limited to) your compensation, performance, and or service on the Board; provided, further, that, after an initial public offering, the Board shall only be obligated to cause you to be nominated for election to the Board; and provided, further, that the foregoing shall not be required to the extent prohibited by legal or regulatory requirements and you are treated in the same manner as similarly situated directors. In connection with your employment with the Company, you agree to observe and comply with all of the rules, regulations, policies and procedures established by the Company from time to time and all applicable laws, rules and regulations imposed by any governmental regulatory authority from time to time. Without limiting the foregoing, you agree that during your employment with the Company, you will devote your full business time, attention, skill and best efforts to the performance of your employment duties and you are not to engage in any other business or occupation; *provided, however*, that (i) with the prior written notice to the Board, you may serve as a member of boards of directors (or its equivalent in the case of a non-corporate entity) of non-competing businesses, (ii) you may engage in volunteer activities, publish or fulfill speaking engagements, and (iii) manage your passive personal investments, so long as the activities set forth in clauses (i), (ii) and (iii) do not interfere, individually or in the aggregate, with the performance of your duties and responsibilities for the Company, are not competitive with the business of the Company, will not otherwise result in your breach of the Non-Disclosure Agreement (as defined below) or create a business or fiduciary conflict.

2. Compensation .

a. *Base Salary.* You will be paid a starting base salary of \$400,000 per year, less applicable tax and other withholdings in accordance with the Company's normal payroll procedure.

b. *Incentive Compensation.* You will be eligible to participate in the Company's annual bonus program, with an annual target bonus equal to \$200,000. The actual bonus earned by you will be based on achievement against targeted goals and objectives established by the Board and consistent with the Company's business plan for that year (as approved by the Board after consultation with you). Your annual bonus is subject to normal payroll deductions and to the terms and conditions of the Company's discretionary incentive compensation plan in force at that time. Notwithstanding the foregoing, for 2016, you will receive a pro-rata target bonus based on the number of days in such year that you actually worked as an employee of the Company. The payment of any annual bonus will be made at the same time annual bonuses are generally paid to other similarly situated employees of the Company, subject to your continued employment with the Company through the applicable payment date.

c. *Equity Grants.* We will request that the Board approve a grant for you of non-qualified stock options to purchase 2,839,524 shares of common stock of Holdings (the "Option") and 1,582,685 shares of restricted common stock or restricted common stock units, at your election, which together represent approximately 4.75% of the fully-diluted capitalization of Holdings (collectively, the "Equity Awards"). One-quarter (1/4) of each Equity Award will vest on the first anniversary of the Commencement Date, and the

remainder of each Equity Award will vest in equal quarterly installments for the subsequent three (3) years, in each case subject to your continued employment with the Company on such date; provided that the Option will contain an “early exercise” provision that allows you to exercise the option as to vested and unvested shares, subject to a right of repurchase with respect to unvested shares at your original cost. The exercise price for the Option will be determined based on the fair market value of Holdings’ common stock on the date of grant. The Option shall be designated as an “incentive stock option” to the maximum extent possible.

As a member of the executive team, we will request that the Board grant your Equity Awards with double trigger change in control vesting acceleration. As such, pursuant to the terms of the Option Grant Notice and Agreement (the “Option Agreement”) and Restricted Stock/Restricted Stock Unit Grant Notice and Agreement (the “RS/RSU Agreement”) to be provided by Holdings, and in addition to any and all severance benefits set forth in this Letter Agreement, in the event your employment with the Company is terminated by the Company (other than for Cause (as defined in Exhibit A hereto) or on account of your death or permanent disability) or by you for Good Reason (as defined in Exhibit A hereto), at any time commencing on the date the Company enters into a definitive agreement providing for a Change in Control (as defined in Exhibit A hereto) and ending twelve (12) months following the closing of such Change in Control, then the then-unvested portion of the Equity Awards will accelerate and be deemed to be vested in full as of your termination date, subject to your execution of the Company’s standard form of release agreement not later than forty-five (45) days following your termination date (in which you release any and all known and unknown claims you may have against the Company and its affiliates). The Equity Awards will otherwise be subject to the terms and conditions specified in the Option Agreement, the RS/RSU Agreement and Holdings’ 2016 Stock Incentive Plan, each of which will be provided by Holdings.

3. *Benefits.* You will also be eligible for paid time off, group health, dental, 401 (k) and disability benefits, on the same basis as other similarly situated employees of the Company, commencing as of the first of the month following your Commencement Date. The Company expressly reserves the right to change the benefit plans and programs it offers to its employees at any time.

4. *Termination.* Subject to the terms of this Letter Agreement, the nature of your employment at the Company is and will continue to be “at will,” meaning that either the Company or you may terminate your employment at any time, with or without notice, with or without cause, and for any reason or for no reason. Any statement or representation to the contrary is ineffective unless put into a writing executed on behalf of the Company by the Board or its designee. We do ask, however, that you give thirty (30) days’ notice if you decide to terminate your employment. Upon any termination of your employment, no further payments by the Company to you will be due other than accrued but unpaid salary, unpaid and properly documented expense reimbursements and accrued vacation through the applicable date of your termination and any other accrued benefits (including, if applicable, the severance benefits outlined below) to which you may be entitled pursuant to the terms of benefit plans in which you participate at the time of such termination.

5. *Severance Benefits.* Although the Company expressly reserves the right to terminate your employment at any time and for any reason, should your employment with the Company be terminated by the Company other than for Cause, by you for Good Reason or on account of your death or permanent disability, you will be entitled to severance consisting of (i) continued payment of your base salary for a period of twelve (12) months in accordance with the Company’s normal payroll procedure and (ii) should you timely elect to continue healthcare coverage through COBRA, twelve (12) months reimbursement of the amount by which your COBRA premium exceeds the premium paid by the Company’s active employees for similar coverage, payable monthly. The foregoing severance is conditioned upon your compliance with your continuing obligations to the Company (as detailed in the attached Intellectual Property, Non-Disclosure, and Non-Solicitation Agreement (the “Non-Disclosure Agreement”), your resignation or termination from all positions you then hold with Holdings, the Company and any of their subsidiaries, and your execution of the Company’s standard form of release agreement not later than forty-five (45) days following your termination date (in which you release any and all known and unknown claims you may have against the Company and Its affiliates). Further, to the extent that any of the severance benefits constitutes “nonqualified deferred compensation” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the sixtieth (6th) day following the date your termination of employment hereunder, but for the condition on executing the form of release as set forth herein, shall not be made until the first regularly scheduled payroll date following such sixtieth (60th) day. In addition, the payment (or commencement of a series of payments) hereunder of any such “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) upon a termination of employment shall be delayed until such time as you have also undergone a “separation from service” as defined in Treas. Reg. 1.409A-1 (h), at which time such nonqualified deferred compensation (calculated as of the date of your termination of employment hereunder) shall be paid (or commence to be paid) to you on the schedule set forth herein as if you had undergone such termination of employment (under the same circumstances) on the date of your ultimate “separation from service.” Each installment described in this section (and all other payments to be made in installments as a result of this Letter Agreement) shall be deemed to be a separate payment for purposes of Section 409A of the Code.

6. *Golden Parachute Considerations.* If any payment or benefit due under this Letter Agreement, together with all other payments and benefits that you receive or are entitled to receive from the Company or any of its subsidiaries, affiliates or related entities, would (if paid or provided) constitute an excess parachute payment for purposes of Section 280G of the Code, the amounts otherwise payable and benefits otherwise due under this Letter Agreement will either (I) be delivered in full, or (ii) be limited to the minimum extent necessary to ensure that no portion thereof will fail to be tax-deductible to the Company by reason of Section 280G of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the excise tax imposed under Section 4999 of the Code, results in your receipt, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the excise tax imposed under Section 4999 of the Code. If the payments and/or benefits are to be reduced pursuant to this section, such payments and benefits shall be reduced such that the reduction of cash compensation to be provided to you as a result of this section is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Notwithstanding the foregoing, if it appears that any payment or benefit due under this Letter Agreement, together with all other payments and benefits that you receive or are entitled to receive from the Company or any of its subsidiaries, affiliates or related entities that is to be paid to you under this Letter Agreement or any other plan, program, agreement, or arrangement of the Company or any of its affiliates may constitute a “parachute payment” under section 280G(b)(2) of the Code, the Company shall use its reasonable best efforts to obtain shareholder approval of such payments in a manner intended to comply with Section 280G(b)(5) of the Code.

7. *Non-Disclosure Agreement; Evidence of Employment Eligibility.* As a condition of your employment with the Company, you will be required to sign, and comply with, the attached Non-Disclosure Agreement, and to provide the Company with documents establishing your identity and right to work in the United States. Those documents must be provided to the Company within three business days of your Commencement Date.

8. *Background Checks.* The Company reserves the right to conduct a background investigation and/or reference check on all of its potential employees. Your offer of employment is contingent upon satisfactory completion of such background investigation and/or reference check, if any, in the sole discretion of the Company. All such background investigations and/or reference checks shall be conducted in accordance with applicable state and federal laws.

9. *Entire Agreement.* This Letter Agreement, the Non-Disclosure Agreement, the Option Agreement and the RS/RSU Agreement constitute the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior or contemporaneous negotiations, representations or agreements between you and the Company.

10. *Former Employer Information.* We wish to impress on you that you must not bring to the Company any confidential or proprietary information or material of any former employer, disclose or use such information or material in the course of your employment with the Company, or violate any other obligation to your former employers. By signing this Letter Agreement, you represent and warrant to the Company that you are under no contractual commitments inconsistent with your obligations to the Company hereunder and that your acceptance of this offer of employment and your performance of the contemplated services hereunder does not and will not conflict with or result in any breach or default under any agreement, contract or arrangement to which you are a party to or violate any other legal restriction.

11. *Governing Law; Arbitration.* The terms of this Letter Agreement and the resolution of any dispute as to the meaning, effect, performance or validity of this Letter Agreement or arising out of, related to, or in any way connected with, this Letter Agreement, your employment with the Company or any other relationship between you and the Company will be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws. All disputes and claims of any nature arising out of or in any way related to, or in any way connected with, this Letter Agreement, your employment with the Company or any other relationship between you and the Company must be submitted solely and exclusively to binding arbitration in accordance with the then-current employment arbitration rules and procedures of the American Arbitration Association to be held in Howard County, Maryland. All information regarding the dispute or claim and arbitration proceedings, including any settlement, shall not be disclosed by you or any arbitrator to any third party without the written consent of the Company, except with respect to judicial enforcement of any arbitration award. Any arbitration claim must be brought solely in your (or your transferee's or estate's) individual capacity and not as a claimant or class member (or similar capacity) in any purported multiple-claimant, class, collective, representative or similar proceeding, and the arbitrator may not permit joinder of any multiple claimants and their claims without the express written consent of the Company. Any arbitrator selected to adjudicate the claim must be knowledgeable in the industry standards and practices, and, by signing this Letter Agreement, you will be deemed to agree that any claims under this Letter Agreement, your employment with the Company or any other relationship between you and the Company is inherently a matter involving interstate commerce and thus, notwithstanding the choice of law provision included herein, the Federal Arbitration Act shall govern the interpretation and enforcement of this arbitration provision. The arbitrator shall not be permitted to award any punitive or similar damages, but may award attorney's fees and expenses to the prevailing party in any arbitration. Any decision by the arbitrator shall be binding on all parties to the arbitration.

Amit, we look forward to working with you at the Company. Please sign and date this Letter Agreement on the spaces provided below to acknowledge your acceptance of the terms of this Letter Agreement. This offer will expire if not accepted by 5:00p.m. on October , 2016.

Sincerely,

/s/ Richard Wells
Member of the Board
Tenable Network Security, Inc.

I agree to and accept employment with Tenable Network Security, Inc., on the terms and conditions set forth In this Letter Agreement. I understand and agree that my employment with the Company is at-will.

Date
Enc. IPA/NDA

/s/ Amit Yoran _____

Exhibit A

“Cause” means (i) you have been convicted of, or have pleaded guilty or nolo contendere to, any felony or a crime involving moral turpitude; (ii) you have engaged in misconduct which is injurious to the Company or any of its direct or indirect subsidiaries (together, with the Company referred to as the “Company Group”) or materially failed or refused to perform the material duties lawfully and reasonably assigned to you or have performed such material duties with gross negligence or have breached any material term or condition of the Letter Agreement or the Non-Disclosure Agreement, in any case after written notice by the Company of such misconduct, nonperformance, gross negligence, or breach of terms or conditions and a fifteen (15) day opportunity to cure any action, inaction or breach which is capable of being cured; or (iii) you have committed any act of fraud, theft, embezzlement, misappropriation of funds, breach of fiduciary duty, or other willful act of material dishonesty against the Company Group, provided, however, that any purported termination of your employment shall be presumed to be other than for Cause, unless the Company first provides written notice to you which includes a copy of a resolution duly adopted by the Board at a meeting of the Board called and held for the purpose of considering such termination which finds “Cause” to exist and specifies the particulars of such conduct.

“Change in Control” means (i) a change in ownership or control of Holdings effected through a transaction or series of transactions (other than an offering of Holdings’ stock to the general public through a registration statement filed with the Securities and Exchange Commission or similar non-United States regulatory agency) whereby any Person or Group directly or Indirectly acquires “beneficial ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of securities of Holdings possessing more than fifty percent (50%) of the total combined voting power of Holdings’ securities outstanding immediately after such acquisition and pursuant to which the Investors cease to own, directly or indirectly, at least fifty percent (50%) of the company securities issued to the Investors on or before the May 13, 2016; or (ii) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of Holdings to any Person or Group.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, including rules and regulations thereunder and successor provisions and rules and regulations thereto.

“Good Reason” means (i) an involuntary reduction of your base salary or incentive compensation opportunity (based on “on target” or “at goal” performance), other than in a broad based reduction similarly affecting all other members of the Company’s executive management; (ii) a failure of any successor of the Company to assume the obligations under the Letter Agreement in all material respects; (iii) an involuntary relocation of your principal place of employment by more than fifty (50) miles; (iv) the Company’s failure to comply with its material obligations under the Letter Agreement; or (v) a material diminution of your duties, authority or responsibilities or any change to your reporting structure, including, without limitation, your ceasing to report directly to the Board (It being acknowledged that, in the event of a Change in Control, it shall be Good Reason if you do not become the Chief Executive Officer of the ultimate parent entity of the surviving or successor corporation). Notwithstanding the foregoing, you must provide written notice to the Company within ninety (90) days of your learning of the occurrence of the event which constitutes Good Reason, and the Company has thirty (30) days following receipt of such written notice from you to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, you must resign within sixty (60) days after the end of such thirty (30) day cure period. For purposes of this definition of Good Reason, an isolated immaterial and inadvertent action that is not taken in bad faith by the Company and that is remedied by the Company promptly after receipt of written notice thereof given by you will not be considered grounds for termination for Good Reason.

“Investors” means, collectively, each investment fund managed by or affiliated with either Insight Venture Management, LLC or Accel Management Co. Inc. or any of their respective affiliates.

“Person or Group” means any “person” (as defined in Section 3(a)(9) of the Exchange Act) or any two or more persons deemed to be one “person” (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), in each case, other than the Investors or any member of the Company Group, or an employee benefit plan maintained by Holdings or any member of the Company Group.



Tenable Network Security Inc.
7021 Columbia Gateway Drive, Suite 500
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410.872.0555
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February 9, 2017

Mr. Amit Yoran

Dear Amit:

This addendum (the "Addendum") to your employment offer letter is being issued in order to modify and supplement the terms and conditions contained in your employment offer letter that we previously executed on October 23, 2016 ("Original Offer Letter") whereby Tenable Network Security, Inc. (the "Company") offered you employment in the position of Chief Executive Officer, reporting to the Board of Directors of Tenable Holdings, Inc. ("Holdings"), the Company's parent. You accepted the Original Offer Letter on October 23, 2016 and commenced employment with the Company on January 2, 2017 (the "Commencement Date"). All initial capitalized terms not defined herein shall have the meaning given such terms in the Original Offer Letter.

1. *Additional Vesting Acceleration Rights.* In addition to the vesting acceleration rights set forth in Section 2(c) of the Original Offer Letter, your Equity Awards will contain certain additional acceleration vesting provisions. Those additional terms and conditions shall accelerate the vesting schedule in your Equity Awards in the event your employment is terminated by the Company (other than for Cause) or on account of your death or permanent disability or you resign for Good Reason at any time following the one year anniversary of the Commencement Date at the rate equal to six and twenty-five hundredths percent (6.25%) multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service with the Company that have elapsed since the most recent quarterly anniversary of the Commencement Date and the denominator for which is three (3), subject to your execution of a release agreement. In addition to the foregoing, the vesting acceleration benefits contained in your Original Offer Letter applicable in the event of a Change in Control shall apply not only if your employment is terminated by the Company (other than for Cause) or on account of your death or permanent disability or by you for Good Reason at any time commencing on the date the Company enters into a definitive agreement providing for a Change in Control and ending twelve (12) months following the closing of such Change in Control, but also during the ninety (90) day period prior to the date the Company enters into such definitive agreement.

2. *Exhibit A – Definition of Change in Control.* The definition of "Change in Control" in Exhibit A of the Original Offer Letter is hereby deleted and replaced with the following:

““Change in Control” means: (A) one or more individuals, persons, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, corporations, joint ventures, trusts, business trusts, cooperatives, associations, foreign trusts, foreign business organizations or other entities, acting individually or as a group (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) (other than (x) Holdings, (y) any trustee or other fiduciary holding securities under an employee benefit plan of Holdings, or (z) a shareholder of Holdings as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a “Person”) acquires (other than solely by reason of a repurchase of voting securities by Holdings) more than 50% of the combined voting power of Holdings’ then total outstanding voting securities; (B) there is consummated a merger or consolidation of Holdings with any other corporation or other entity, other than (1) a merger or consolidation which results in the voting securities of Holdings outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of Holdings or such surviving entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of Holdings (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of Holdings (meaning that such Person is entitled to the benefits of ownership although such Person does have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from Holdings or its affiliates) representing 50% or more of the combined voting power of Holdings’ then outstanding securities; (C) the consummation of a sale, lease, exclusive license or other disposition of all or substantially all of the assets of Holdings; or (D) the stockholders of Holdings approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of Holdings constitute a Change in Control for purposes of this Agreement.”

Except as expressly amended as provided for herein, the Original Offer Letter shall remain in full force and effect in accordance with its terms.

Sincerely,

/s/ John C. Huffard, Jr.

John C. Huffard, Jr.

President and Chief Operating Officer Tenable Network
Security, Inc.

AGREED AND ACCEPTED

/s/ Amit Yoran

Amit Yoran

Date February 11, 2017



Tenable Network Security Inc.
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 MD 21046
 410.872.0555
 www.tenable.com

Employment Offer Letter

FINAL

October 14, 2014

Dear Steve Vintz,

We are pleased to offer you a position as Chief Financial Officer (CFO) of Tenable Network Security (the "Company"). We believe that you will add substantially to the team and contribute greatly to the ultimate success of the Company by providing the same extraordinary leadership and vision that you have demonstrated throughout your career. The terms of your employment with the Company are set forth as follows ("Agreement"):

1. **Position.** You will become CFO, and report to the Company's CEO. Your employment with the Company will be for no certain duration but will be "at-will" employment. Although the Company's personnel policies and procedures may change from time to time, the "at-will" nature of your employment may only be changed in a document signed by you and a duly authorized executive of the Company. During your employment by the Company, excluding any periods of vacation and sick leave to which you are entitled, you shall devote your full working time and attention to the performance of your duties and responsibilities as CFO. Notwithstanding the foregoing, subject to obtaining the approval of the Company's Board of Directors (the "Board"), which approval shall not be unreasonably withheld, and provided such activities do not interfere with your duties to the Company, you may engage in civic and charitable activities and serve as a member of the boards of directors, or similar governing body, of two other companies. As of the Start Date (defined below), your membership on the board of directors of Kennedy Krieger Institute is approved.
2. **Start Date.** The effective date of your full-time employment will be October 15, 2014 (the "Start Date").
3. **Compensation.**
 - (a) **Base Salary:** You will receive an annual base salary of \$300,000.00, less applicable withholding, which will be paid in accordance with the Company's normal payroll procedures.
 - (b) **Bonus:** You will be eligible for an annual bonus; provided, that for the period beginning on your Start Date and ending December 31, 2014, and further provided that you are still employed by the Company on January 31, 2015, you will be paid a bonus on January 31, 2014 equal to 50% of the base salary paid to you for calendar year 2014. Effective January 1, 2015, the target amount of your annual bonus is 50% of your base salary, less applicable withholding. The bonus payment will be based upon the Company's achievement of financial objectives and milestones that are mutually agreed upon by you and the Board.
 - (c) **Stock Options:** The Board, within thirty (30) days of receipt of a new valuation for the Company's stock necessary for option exercise pricing purposes will approve a grant to you of an option (the "Equity Grant") to purchase three hundred thirty-seven thousand (337,000) shares of the Company's common stock (the "Option") equivalent to approximately one and a quarter percent (1.25%) of the fully diluted outstanding capital stock of the Company as of the date hereof (as interpreted to include all outstanding shares of Common Stock and Preferred Stock, as well as the shares purchasable upon exercise of all outstanding options and warrants). The Company will diligently pursue obtaining the valuation as soon as practical. One-quarter (1/4th) of the Option will vest



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based on your continued employment on the first year anniversary of the Start Date, with the remainder of the Option vesting one-quarter (1/4th) based on your continued employment on the first day of each anniversary year for the subsequent three (3) years, provided, however, that should you be terminated by the Company without Cause or should you resign for Good Reason, effective after the first anniversary of the Start Date and other than due to death or disability, and as of the date of your termination the Option has not already become fully vested, you will be credited with an additional vesting percentage equal to 25% multiplied by a fraction, the numerator of which is equal to the number of completed months of employment elapsed since the preceding anniversary of the Start Date on which additional vesting was received and the denominator of which is twelve (12). For avoidance of doubt if the effective date of termination without Cause or for Good Reason occurs on an anniversary date of the Start Date, no additional vesting for a partial year will be provided under the preceding sentence.

Notwithstanding the preceding, if at any time between the date that is ninety (90) days prior to the date that a definitive agreement providing for a Change of Control (as defined below) is entered into and the date that is twelve (12) month after the closing of a Change of Control ("Change of Control Termination Period"), you are either terminated without Cause (as defined below) or you resign for Good Reason (as defined below) and other than due to death or disability, then the Option will accelerate and you will be 100% vested in the Option.

The Equity Grant shall be made in the form of Notice of Stock Option Grant and Stock Option Agreement and Exhibits thereto, attached as Exhibit A to this Employment Offer Letter.

4. **Benefits.** The Company will provide you with health, dental and other benefits generally provided to other executive officers. You shall also be entitled to paid leave in accordance with the Company's leave policy applicable to executive officers. The Company will reimburse you, in accordance with its expense policy, for all properly documented expenses.
5. **Termination.** Upon a termination of employment for any reason, (A) you shall be paid, within fifteen (15) days after your termination of employment, any accrued and unpaid compensation, and (B) you shall be paid within thirty (30) days of submitting appropriate documentation, all reimbursable expenses incurred prior to your termination of employment. Should you be terminated by the Company without Cause or should you resign for Good Reason, other than during a Change of Control Termination Period or due to death or disability, you will be entitled to receive severance consisting of (A) a lump sum payment equal to twelve (12) months of your base salary, payable, subject to Section 12(b), no later than sixty (60) days after the date of your termination of employment, plus (B) should you elect health care continuation coverage under COBRA ("COBRA"), twelve (12) months reimbursement of the amount by which your COBRA premium exceeds the premium paid by the Company's active employees for similar coverage, payable monthly. Should you be terminated by the Company without Cause or should you resign for Good Reason, during a Change of Control Termination Period and other than due to death or disability, you will be entitled to receive severance consisting of (A) a lump sum payment equal to the sum of (i) twelve (12) months of your base salary plus (ii) 100% of the target bonus amount for the year in which your termination or resignation occurs reduced by the amount, if any, of the bonus previously paid to you for the year in which your termination or resignation occurs, payable subject to Section 12(b) no later than sixty (60) days after the date of your termination of employment, plus (B) should you elect COBRA coverage, twelve (12) months reimbursement of the amount by which your COBRA premium exceeds the premium paid by the Company's active employees for similar coverage. The foregoing severance is conditioned upon your compliance with your continuing obligations to the Company under the Intellectual Property, Non-Disclosure, Non-



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Solicitation, and Non-Competition Agreement dated as of your Start Date, your resignation from all positions you then hold with the Company, and your execution of the Company's standard form of release agreement not later than forty-five (45) days following your termination date (in which you release any and all known and unknown claims you may have against the Company with respect to your employment). In the event of your termination by the Company without Cause or your resignation for Good Reason during a Change of Control Termination Period, any severance shall be determined under the third sentence of this Section, and not under the second sentence. You are not required to mitigate amounts payable under this Section by seeking other employment or otherwise, nor must you return to the Company amounts earned under subsequent employment.

6. **Background Checks.** The Company reserves the right to conduct a background investigation and/or reference check on all of its potential employees. Your offer of employment is contingent upon satisfactory completion of such background investigation and/or reference check, if any, in the sole discretion of the Company. All such background investigations and/or reference checks shall be conducted in accordance with applicable state and federal laws.
7. **Evidence of Employment Eligibility.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire.
8. **Governing Law and Jurisdiction.** The terms of this letter and the resolution of any dispute as to the meaning, effect, performance or validity of this letter or arising out of, related to, or in any way connected with, this letter, your employment with the Company or any other relationship between you and the Company will be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws. With respect to any litigation based on, arising out of, or in connection with this Agreement, the parties hereby expressly submit to the personal jurisdiction of the state courts located in the State of Maryland and of the United States District Court for the District of Maryland. The parties hereby expressly waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of venue of any such litigation brought in any such court referred to above, including without limitation any claim that any such litigation has been brought in an inconvenient forum.
9. **Waiver of Jury Trial; Prevailing Party.** Each party hereto hereby waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto certifies that no representative or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver. The prevailing party in any action seeking to enforce this Agreement shall have all reasonable costs and reasonable attorneys' fees paid by the party found to have breached.
10. **Certain Definitions.**
 - (a) "Cause" is defined to mean (A) you have been convicted of, or have pleaded guilty or nolo contendere to, any felony or a crime involving moral turpitude; (B) you have engaged in willful misconduct which is injurious to the Company or you have willfully and materially failed or refused to perform the material duties lawfully and reasonably assigned to you by the Board (other than as a result of illness or injury) or you have breached any material term or condition of this Agreement or the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement which you will be expected to sign, in any case after written notice by the Company of such misconduct, nonperformance, or breach of terms or conditions and a fifteen (15) day opportunity to cure any action, inaction or breach which is capable of

being cured, or (C) you have committed any act of fraud, theft, embezzlement, misappropriation of funds, or other willful act of material dishonesty against the Company.

- (b) “Good Reason” is defined as your resignation as a result of (A) an involuntary reduction in your base salary or bonus opportunity, other than in a broad based reduction similarly affecting all other members of Company’s executive management, (B) a failure of a successor of the Company to assume the obligations under this Agreement in all material respects, (C) the relocation of your principal place of employment more than fifty(50) miles from its current location, without your consent, (D) the Company’s failure to comply with its material obligations under this Agreement or under any other written agreement with you, (E) a substantial diminution of your duties, authority or responsibilities, (F) your ceasing to report to the CEO; or (G) an adverse change in your title as CFO; provided that an event or events described in clauses (E), (F) or G, occurring on or within ninety (90) days after a Change of Control shall not be treated as Good Reason for purposes of the third sentence of Section 5 until the date which is ninety (90) days after the effective date of such Change of Control. Notwithstanding the foregoing, you must provide written notice to the Company within thirty (30) days of your learning of the occurrence of an event which constitutes Good Reason, or will constitute Good Reason for purposes of the third sentence of Section 5 upon the expiration of the ninety (90) day period following a Change of Control, and the Company has thirty (30) days following receipt of such written notice from you to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, you must resign within sixty (60) days after the end of such thirty (30) day cure period, or in the case of an event which for purposes of the third sentence of Section 5 will constitute Good Reason upon expiration of the ninety (90) day period following a Change of Control, the later of sixty (60) days after the end of such thirty (30) day cure period or the expiration of such ninety (90) day period. For avoidance of doubt, your continued employment following a Change of Control as the CFO of a subsidiary or divisions shall constitute a Good Reason event under clause E, above. Also, for avoidance of doubt, any event described in clauses (A) – (G) that occurs during a Change of Control Termination Period shall constitute Good Reason for purposes of accelerated vesting of the Option under section 3(c) and for purposes of accelerated vesting under the comparable provision of the Notice of Stock Grant if you resign within sixty (60) days after the end of the thirty (30) day cure period with respect to such event, without regard to whether such event is an event described in clauses (E), (F) or G that occurs on or within ninety (90) days after a Change of Control. For purposes of this Section, an isolated, immaterial and inadvertent action that is not taken in bad faith by the Company and that is remedied by the Company promptly after receipt of written notice thereof given by you will not be considered grounds for termination for Good Reason.
- (c) “Change of Control” will mean: (A) one or more individuals, persons, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, corporations, joint ventures, trusts, business trusts, cooperatives, associations, foreign trusts, foreign business organizations or other entities, acting individually or as a group (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) (other than (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (z) a shareholder of the Company as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a “Person”) acquires (other than solely by reason of a repurchase of voting securities by the Company) more than 50% of the combined voting power of the Company’s then total outstanding voting securities; (B) there is consummated a merger or consolidation of the Company with any other corporation or other entity, other than (1) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving



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entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (meaning that such Person is entitled to the benefits of ownership although such Person does have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities; (C) the consummation of a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company; or (D) the stockholders of the Company approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of the Company constitute a Change of Control for purposes of this Agreement.

11. **Section 280G.** If a "change of control" under Treasury Regulation 1.280G occurs, and if at such time, the Company is not an entity whose stock is readily tradable on an established securities market (or otherwise), the Company shall use commercially reasonable efforts to take such actions as may be necessary to avoid the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") or a loss of deductibility under Section 280G of the Code, including, if so requested by and provided you agree to waive your rights to receive any "parachute payment" as required by applicable regulations under Section 280G(b)(5) of the Code, seeking to obtain stockholder approval in accordance with the terms of Section 280G(b)(5)(A)(ii). If on the date that a "change of control" under Treasury Regulation 1.280G occurs, either Section 280G(b)(5)(A) is not applicable or after using commercially reasonable efforts, the Company is unable to avoid the imposition of the excise tax imposed by Section 4999 of the Code as to any payment or benefits provided to you whether made or provided pursuant to this Agreement or otherwise (such payments or benefits which are subject to such excise tax being referred to as the "Parachute Payments"), then, except to the extent you have previously waived your rights with respect to such Parachute Payments, you will be entitled to receive either (A) the full amount of the Parachute Payments, or (B) the maximum amount that may be provided to you without resulting in any portion of such Parachute Payments being subject to the excise tax imposed by Section 4999 of the Code, whichever of clauses (A) and (B), after taking into account applicable federal, state, and local taxes and the excise tax under Section 4999 of the Code, results in the receipt by you, on an after-tax basis, of the greatest portion of the Parachute Payments. The Parachute Payments shall be reduced in a manner that maximizes your economic position. Any reduction of Parachute Payments pursuant to the preceding sentence shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

12. **Section 409A.**

- (a) General. The intent of the parties is that the payments and benefits under this Agreement (including, without limitation, the "Equity Grant") comply with or be exempt from Section 409A of the Code, and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.
- (b) Separation from Service. Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable to you by the Company that is non-qualified deferred compensation ("409A Deferred Compensation") and is designated under this Agreement as payable upon your termination of employment shall be payable only upon your "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service"). If the period that the payment or commencement of payment of any 409A Deferred Compensation that is subject to your execution of a release could



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be made or could begin spans more than one calendar year, such payment shall be not made or such payments shall not commence until the second calendar year. Any payments that would have been made to you during the period immediately following your Separation from Service but for the preceding sentence shall be paid to you on the day following your Separation from Service and the remaining payments shall be made as provided in this Agreement.

- (c) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if you are reasonably determined by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of compensation or benefits to which you are entitled is required in order to avoid the imposition of "additional tax" under Section 409A such portion of compensation or benefits shall not be provided to you prior to the earlier of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company or (ii) the date of your death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to you (or your estate), and any remaining payments due to you shall be paid as otherwise provided.
- (d) Expense Reimbursements. To the extent that any reimbursements to you by the Company are subject to Section 409A, such reimbursements shall be paid to you no later than December 31 of the year following the year in which the expense was incurred; provided, that you submit your reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and your right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.
- (e) Installments. Your right to receive any installment payments of 409A Deferred Compensation shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment to you of an amount treated as nonqualified deferred compensation under Section 409A shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

As a condition of your employment, you will be required to sign the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement (a copy of which is attached as Exhibit B), and to provide the Company with documents establishing your identity and right to work in the United States. Those documents must be provided to the Company within three business days of the Start Date.

This Agreement and the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement constitute the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior or contemporaneous negotiations, representations or agreements between you and the Company. The provisions of this Agreement regarding "at will" employment and arbitration may only be modified by a document signed by you and an authorized representative of the Company.

We wish to impress on you that you must not bring to the Company any confidential or proprietary information or material of any former employer, disclose or use such information or material in the course of your employment with the Company, or violate any other obligation to your former employers.



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To accept the Company's offer, please sign and date this letter in the space provided below. This offer of employment will terminate if it is not accepted, signed and returned by 5pm ET on Wednesday, October 15, 2014.

AGREED AND ACCEPTED:

/s/ Stephen A. Vintz

Stephen A. Vintz

TENABLE NETWORK SECURITY, INC.

By: /s/ John C. Huffard, Jr.

John C. Huffard, Jr.
President and COO



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February 17, 2017

John Negron

Re: John Negron Offer Letter ("Offer Letter")

Dear John:

On behalf of Tenable Network Security, Inc. ("Tenable"), I am pleased to offer you employment in the position of Chief Revenue Officer (with responsibility for World Wide Sales), reporting to me, Tenable's Chief Executive Officer. This letter sets out the terms of your employment with Tenable, which will start on February 27, 2017 ("**Commencement Date**").

As the Chief Revenue Officer, you will be paid a starting base salary of \$300,000 per year, less applicable tax and other withholdings in accordance with Tenable's normal payroll procedure which is semi-monthly (the 7th and the 22nd). You will be eligible to participate in Tenable's Quarterly Bonus Program, with an annual target bonus equal to up to \$285,000 (equivalent to up to 95% of your annual base salary). The actual bonus earned by you (which may be more or less than the annual target) will be based on key financial performance metrics determined by Tenable in its annual Corporate Plan and your achievement of objectives as determined by me. The Quarterly Bonus is prorated based on your start date and subject to normal payroll deductions and to the terms and conditions of Tenable's discretionary incentive compensation plan in force at that time. Any bonus earned in 2017 will be pro-rated to reflect the number of days in such year that you actually worked as an employee of Tenable.

You will also be eligible for paid time off, group health, dental, 401(k) and disability benefits on the same basis as similar situated employees of Tenable, commencing as of the first of the month following your Commencement Date. In the event you opt out of Tenable's aforementioned benefits program and continue participation in your current plan, your base salary will be increased by \$1,000 per month (\$12,000 per year) to assist you in funding your cost of participation in such plan. If at some later date you elect to obtain coverage from Tenable, this funding assistance will cease effective on the date your Tenable coverage commences. Tenable expressly reserves the right to change the benefits plans and programs it offers to employees at any time. Tenable has an Executive Long Term Disability benefit provided by Unum ("LTD"). This benefit is available to VPs and executives with a minimum salary of \$200,000.00. The basic LTD benefit provided to the U.S. workforce through Metlife has a maximum payment of \$10,000.00 a month. This supplemental plan through Unum was procured to provide the additional coverage for a long-term disability. The plan is portable, mandatory, and employee paid.

Given the senior nature of this position, we will request the Board of Directors of Tenable Holdings, Inc. approve a grant of an option to purchase six hundred twenty thousand (620,000) shares of Tenable Holdings, Inc. common stock (the "Option"), based on the share count that Tenable Holdings, Inc. currently anticipates will exist on your start date. The current exercise price is \$4.25. One-quarter (1/4th) of the Option will vest based on your continued employment on the first year anniversary of your first day of work, with the remainder of the Option vesting over the subsequent three (3) years period on an equal, quarterly basis subject to your continued employment. For sake of clarity, the Option shall be designated as an "incentive stock option" to the maximum extent possible.

As a member of the senior management team, the option grant(s) outlined above will contain certain acceleration vesting provisions such that the vesting schedule applicable to those option grant(s) will accelerate: (1) in the event your employment is terminated by the Company without Cause or you resign for Good Reason at any time following the one year anniversary of the Commencement Date, the vesting schedule applicable to your Equity Awards will accelerate by a rate of six and twenty five hundredths percent (6.25%) multiplied by a fraction, the numerator of which is equal to the number of completed months of continuous service elapsed since the most recent quarterly anniversary of the Commencement Date and the denominator of which is three (3); and (2) by one hundred percent (100%) in the event your employment is terminated by the Company without Cause or you resign for Good Reason at any time during a Change of Control Termination Period. The term "**Change of Control Termination Period**" means the period commencing during the ninety (90) day period to the date the Company enters into such definitive agreement and ending twelve (12) months

following the closing of such Change in Control. Further terms pertaining to the Option will be specified in an Option Grant Notice and Agreement to be provided by Tenable.

Upon a termination of employment for any reason, (A) you shall be paid, within fifteen (15) days after your termination of employment, any accrued and unpaid compensation, and (B) you shall be paid within thirty (30) days of submitting appropriate documentation, all reimbursable expenses incurred prior to your termination of employment. Should you be terminated by the Company without Cause or should you resign for Good Reason, other than during a Change of Control Termination Period or due to death or disability, you will be entitled to receive severance consisting of (A) a lump sum payment equal to three (3) months of your base salary plus any incentive compensation earned through the date of termination, payable no later than sixty (60) days after the date of your termination of employment, plus (B) should you elect health care continuation coverage under COBRA ("COBRA"), three (3) months reimbursement of the amount by which your COBRA premium exceeds the premium paid by Tenable's active employees for similar coverage, payable monthly. Should you be terminated by Tenable without Cause or should you resign for Good Reason, during a Change of Control Termination Period and other than due to death or disability, you will be entitled to receive severance consisting of (A) a lump sum payment equal to the sum of (i) six (6) months of your base salary plus any incentive compensation earned through the date of termination, payable no later than sixty (60) days after the date of your termination of employment, plus (B) a pro rata portion of the target bonus amount for the year in which your termination or resignation occurs reduced by the amount, if any, of the bonus previously paid to you for the year in which your termination or resignation occurs, plus (C) should you elect COBRA coverage, six (6) months reimbursement of the amount by which your COBRA premium exceeds the premium paid by the Company's active employees for similar coverage. The foregoing severance is conditioned upon your compliance with your continuing obligations to Tenable under the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement dated as of your Commencement Date, your resignation from all positions you then hold with Tenable, and your execution of Tenable's standard form of release agreement not later than forty-five (45) days following your termination date (in which you release any and all known and unknown claims you may have against Tenable with respect to your employment. In the event of your termination by the Company without Cause or your resignation for Good Reason during a Change of Control Termination Period, any severance shall be determined under the third sentence of this Section, and not under the second sentence.

As a condition of your employment, you will be required to sign Tenable's Intellectual Property, Non-Disclosure, Non-Solicitation and Non-Competition Agreement (a copy of which is enclosed), and provide Tenable with documents establishing your identity and right to work in the United States. Those documents must be provided to Tenable within three (3) business days of your employment start date. Notwithstanding the foregoing, nothing in this offer letter or Tenable's Intellectual Property, Non-Disclosure, Non-Solicitation and Non-Competition Agreement will limit or restrict you from (i) serving as an advisor to DataRobot, Inc., or as a member of boards of directors (or its equivalent in the case of a non-corporate entity) of non-competing businesses, (ii) engaging in volunteer activities, publishing or fulfilling speaking engagements, and (iii) managing your passive personal investments. For sake of clarity, you hereby agree (a) that your involvement in the various activities delineated in the immediately preceding sentence will require the prior written approval of Tenable's Chief Executive Officer which shall not be unreasonably withheld and (b) under no circumstances will you permit your involvement in such activities to constitute a meaningful distraction from the performance of your day-to-day duties as Tenable's Chief Revenue Officer. In addition, Tenable reserves the right to conduct a background investigation and/or reference check on all of its potential employees. Your offer of employment is contingent upon satisfactory completion of such background investigation and/or reference check, if any, in the sole discretion of Tenable. All such background investigations and/or reference checks shall be conducted in accordance with applicable state and federal laws.

Section 280G. If a "change of control" under Treasury Regulation 1.280G occurs, and if at such time, the Company is not an entity whose stock is readily tradable on an established securities market (or otherwise), the Company shall use commercially reasonable efforts to take such actions as may be necessary to avoid the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") or a loss of deductibility under Section 280G of the Code, including, if so requested by, and provided you agree to waive your rights to receive any "parachute payment" as required by applicable regulations under Section 280G(b)(5) of the Code, seeking to obtain stockholder approval in accordance with the terms of Section 280G(b)(5)(A) (ii). If on the date that a "change of control" under Treasury Regulation 1.280G occurs, either Section 280G(b)(5)(A) is not applicable or after using commercially reasonable efforts, the Company is unable to avoid the imposition of the excise tax imposed by Section 4999 of the Code as to any payment or benefits provided to you whether made or provided pursuant to this Agreement or otherwise (such payments or benefits which are subject to such excise tax being referred to as the "Parachute Payments"), then, you will be entitled to receive either (A) the full amount of the Parachute Payments, or (B) the maximum amount that may be provided to you without resulting in any portion of such Parachute Payments being subject to the excise tax imposed by Section 4999 of the Code, whichever of clauses (A) and (B), after taking into account applicable federal, state, and local taxes and the excise tax under Section 4999 of the Code, results in the receipt by you, on an after-tax basis, of the greatest portion of the Parachute Payments. The Parachute Payments shall be reduced in a manner that maximizes your economic position. Any reduction of Parachute Payments pursuant to the preceding sentence shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

Certain Definitions:

“Cause” is defined to mean (A) you have been convicted of, or have pleaded guilty or nolo contendere to, any felony or a crime involving moral turpitude; (B) you have engaged in willful misconduct which is injurious to Tenable or you have willfully and materially failed or refused to perform the material duties lawfully and reasonably assigned to you by the CEO (other than as a result of illness or injury) or you have breached any material term or condition of this Agreement or the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement, in any case after written notice by Tenable of such misconduct, nonperformance, or breach of terms or conditions and a fifteen (15) day opportunity to cure any action, inaction or breach which is capable of being cured, or (C) you have committed any act of fraud, theft, embezzlement, misappropriation of funds, or other willful act of material dishonesty against Tenable.

“Good Reason” is defined as the Holder’s resignation as a result of (A) an involuntary reduction in the Holder’s base salary, other than in a broad based reduction similarly affecting all other members of Company’s executive management, (B) a failure of a successor of the Company to assume the obligations under this Agreement in all material respects, (C) the relocation of the Holder’s principal place of employment more than fifty (50) miles from its current location, without the Holder’s consent, (D) the Company’s failure to comply with its material obligations under this Agreement or under any other written agreement with the Holder, (E) a substantial diminution of the Holder’s duties, authority or responsibilities, (F) your ceasing to report directly to the Company’s CEO, or (G) an adverse change in your title as Chief Revenue Officer. Notwithstanding the foregoing, the Holder must provide written notice to the Company within thirty (30) days of learning of the occurrence of an event which constitutes Good Reason and the Company has thirty (30) days following receipt of such written notice to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, the Holder must resign within sixty (60) days after the end of such thirty (30) day cure period. For avoidance of doubt, your continued employment following a Change of Control as the Chief Revenue Officer of a subsidiary or divisions shall constitute a Good Reason event under clause E, above.

This Offer Letter, the option grant agreement(s), the Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement referred to above constitute the entire agreement between you and Tenable regarding the terms and conditions of your employment, and they supersede all prior or contemporaneous negotiations, representations or agreements between you and Tenable. The provisions of this agreement regarding “at will” employment and arbitration may only be modified by a document signed by you and an authorized representative of Tenable.

By signing this Offer Letter, you represent and warrant to Tenable that you are able to accept this offer of employment and perform the services contemplated and that your ability to do so is not prohibited, limited or restricted by any agreements or understandings between you and other persons or obligations to any prior employee, customer, or other third party (including, without limitation, by any agreement relating to any proprietary information, knowledge or data acquired by you in confidence, trust or otherwise prior to your work for Tenable). In addition, you represent, covenant and agree that you will not disclose to Tenable any proprietary information or data belonging to any previous employer or other third parties and will not use, and will not need to use, any confidential or proprietary information that may be known to you from any former employer or that is subject to confidentiality obligations on your part.

John, we look forward to working with you at Tenable. Please sign and date on the spaces provided below to acknowledge your acceptance of the terms of the Offer Letter. This offer will expire if not accepted by 5 pm on February 20, 2017.

Sincerely,

/s/Amit Yoran

Amit Yoran

Chief Executive Officer
Tenable Network Security, Inc.

I agree to and accept employment with Tenable on the terms and conditions set forth in this Offer Letter. I understand and agree that my employment with Tenable is at-will.

Date: 2/17/2017

/s/ John Negron

John Negron

Enc. Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement



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May 19, 2016

Stephen Riddick

Dear Stephen,

On behalf of Tenable Network Security, Inc., (the "Company"), I am pleased to offer you employment in the position of General Counsel reporting to Stephen Vintz, CFO. This letter sets out the terms of your employment with the Tenable Network Security, Inc., which will start on May 31, 2016.

You will be paid a starting base salary of \$250,000.00 per year, less applicable tax and other withholdings in accordance with the Company's normal payroll procedure, which is semi-monthly (the 5th and the 20th). You will be eligible to participate in the Company's Quarterly Bonus Program, with a target bonus of \$150,000.00. The actual bonus earned will be tied to the achievement of the Corporate Plan and your individual objectives as determined by your manager. The Quarterly Bonus is prorated based on your start date and subject to normal payroll deductions and to the terms and conditions of the Company's discretionary incentive compensation plan in force at that time. You will also be eligible for paid time off, group health, dental, 401 (k) and disability benefits starting the 1st of the month following employment. In addition, you will be enrolled in the employee paid supplemental disability program.

Given the senior nature of this position, Tenable will provide equity as part of your compensation. In that regard, we will request the Board of Directors of Tenable Holdings, Inc. approve a stock option grant for you to purchase two hundred thousand (200,000) shares of Tenable Holdings, Inc. common stock (the "Option"). One-quarter (1/4th) of the Option will vest based on your continued employment on the first year anniversary of your first day of work, with the remainder of the Option vesting one-quarter (1/4th) based on your continued employment on the first day of each anniversary year for the subsequent three (3) years. Your strike price will be determined based on the fair market value of the Company's common stock at date of grant. If at any time between the time the Company enters into a definitive agreement providing for a Change of Control (as defined below) and the closing of such Change of Control, or within twelve (12) months thereafter, you are terminated for other than Cause or you resign for Good Reason then the Option will accelerate ("Equity Incentives") and be deemed at such time to be vested in full.

1. Certain Definitions

(a) "Cause" is defined to mean (A) you have been convicted of, or have pleaded guilty or nolo contendere to any felony; (B) you have engaged in misconduct which is injurious to the Company or materially failed or refused to perform the material duties lawfully and reasonably assigned to you or have performed such material duties with gross negligence or have breached any material term or condition of this Agreement or the Company's form of Intellectual Property, Non-Disclosure, Non-Solicitation, and Non-Competition Agreement which you will be expected to sign, in any case after written notice by the Company of such misconduct, nonperformance, gross negligence, or breach of terms or conditions; or (C) you have committed any act of fraud, theft, embezzlement, misappropriation of funds, breach of fiduciary duty or other willful act of material dishonesty against the Company.

(b) "Change of Control" will mean : (A) an individual, person, general partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust, foreign business organization or other entity, together with any affiliate of the foregoing (other than (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (z) a shareholder of the Company as of the date of this Agreement, an immediate family member of such shareholder or a trust or other entity owned solely by or for the benefit of any such persons) (a "Person") acquires (other than solely by reason of a repurchase of voting securities by the Company) more than 50% of the combined voting power of the Company's then total outstanding voting securities; (B) there is consummated a merger or consolidation of the Company with any other corporation or other entity, other than (1) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of

the securities of the Company or such surviving entity or any direct or indirect parent thereof outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (meaning that such Person is entitled to the benefits of ownership although such Person does not have possession of or title to such securities) (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities; or (3) the stockholders of the Company approve a plan of complete liquidation or dissolution; provided, however, that in no event shall an initial public offering of the capital stock of the Company constitute a Change in Control for purposes of this Agreement

(c) "Good Reason" is defined as your resignation as a result of (A) an involuntary reduction in your base salary, other than in a broad based reduction similarly affecting all other members of Company's executive management, (B) a failure of a successor of the Company to assume the obligations under this Agreement in all material respects, (C) the relocation of your principal place of employment more than fifty(50) miles from its current location, without your consent, (D) the Company's failure to comply with its material obligations under this Agreement or under any other written agreement with you, (E) a substantial diminution of your duties, authority or responsibilities. Notwithstanding the foregoing, you must provide written notice to the Company within thirty (30) days of your learning of the occurrence of an event which constitutes Good Reason or will constitute Good Reason and the Company has thirty (30) days following receipt of such written notice from you to cure any or all of the foregoing. In order for a resignation to qualify as a resignation for Good Reason, you must resign within sixty (60) days after the end of such thirty (30) day cure period.

As a condition of your employment, you will be required to sign the Company's standard form of employee nondisclosure and assignment agreement (a copy of which is enclosed), and to provide the Company with documents establishing your identity and right to work in the United States. Those documents must be provided to the Company within three business days of your employment start date.

In addition, the Company reserves the right to conduct a background investigation and/or reference check on all of its potential employees. Your offer of employment is contingent upon satisfactory completion of such background investigation and/or reference check, if any, in the sole discretion of the Company. All such background investigations and/or reference checks shall be conducted in accordance with applicable state and federal laws.

This agreement and the non-disclosure agreements referred to above constitute the entire agreement between you and the Company regarding the terms and conditions of your employment, and they supersede all prior or contemporaneous negotiations, representations or agreements between you and the Company. The provisions of this agreement regarding "at will" employment and arbitration may only be modified by a document signed by you and an authorized representative of the Company.

We wish to impress on you that you must not bring to the Company any confidential or proprietary information or material of any former employer, disclose or use such information or material in the course of your employment with the Company, or violate any other obligation to your former employers.

Please sign and date this letter on the spaces provided below to acknowledge your acceptance of the terms of this agreement.

Sincerely,

/s/ Ann E. Burns
Ann E. Burns
VP of Human Resources

I agree to and accept employment with Tenable Network Security Inc., on the terms and conditions set forth in this agreement. I understand and agree that my employment with the Company is at-will

Date: 5/19/2016

/s/ Stephen Riddick

Stephen Riddick

Enc. IPA/NDA

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this “**Agreement**”) dated as of May 4, 2017 (the “**Effective Date**”) between **SILICON VALLEY BANK**, a California corporation with a loan production office located at 8020 Towers Crescent Drive, Vienna, Virginia 22182 (“**Bank**”), and **TENABLE NETWORK SECURITY, INC.**, a Delaware corporation (“**Borrower**”), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 Credit Extensions.

2.2.1 Revolving Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Bank shall make Advances to Borrower not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.2.2 Letters of Credit.

(a) As part of the Revolving Line, Bank shall issue or have issued Letters of Credit denominated in Dollars or a Foreign Currency for Borrower’s account. The aggregate Dollar Equivalent amount utilized for the issuance of Letters of Credit shall at all times reduce the amount otherwise available for Advances under the Revolving Line. The aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve) may not exceed Five Million Dollars (\$5,000,000).

(b) If, on the Revolving Line Maturity Date (or the effective date of any termination of this Agreement), there are any outstanding Letters of Credit, then on such date Borrower shall provide to Bank cash collateral in an amount equal to at least 105% of the aggregate Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or estimated by Bank to become due in connection therewith, to secure all of the Obligations relating to such Letters of Credit. All Letters of Credit shall be in form and substance acceptable to Bank in its sole discretion and shall be subject to the terms and conditions of Bank’s standard Application and Letter of Credit Agreement (the “**Letter of Credit Application**”). Borrower agrees to execute any further documentation in connection with the Letters of Credit as Bank may reasonably request. Borrower further agrees to be bound by the regulations and interpretations of the issuer of any Letters of Credit guaranteed by Bank and opened for Borrower’s account or by Bank’s interpretations of any Letter of Credit issued by Bank for Borrower’s account, and Borrower understands and agrees that Bank shall not be liable for any error, negligence, or mistake, whether of omission or commission, in following Borrower’s instructions or those contained in the Letters of Credit or any modifications, amendments, or supplements thereto, except arising solely out of the intentional willful misconduct or bad faith of Bank.

(c) The obligation of Borrower to immediately reimburse Bank for drawings made under Letters of Credit shall be absolute, unconditional, and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, such Letters of Credit, and the Letter of Credit Application.

(d) Borrower may request that Bank issue a Letter of Credit payable in a Foreign Currency. If a demand for payment is made under any such Letter of Credit, Bank shall treat such demand as an Advance to Borrower of the Dollar Equivalent of the amount thereof (plus fees and charges in connection therewith such as wire, cable, SWIFT or similar charges).

(e) To guard against fluctuations in currency exchange rates, upon the issuance of any Letter of Credit payable in a Foreign Currency, Bank shall create a reserve (the "**Letter of Credit Reserve**") under the Revolving Line in an amount equal to ten percent (10%) of the face amount of such Letter of Credit. The amount of the Letter of Credit Reserve may be adjusted by Bank from time to time to account for fluctuations in the exchange rate. The availability of funds under the Revolving Line shall be reduced by the amount of such Letter of Credit Reserve for as long as such Letter of Credit remains outstanding.

2.3 Overadvances. If, at any time, the sum of (a) the outstanding principal amount of any Advances plus (b) the face amount of any outstanding Letters of Credit (including, without duplication, drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve), exceeds the Revolving Line, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the "**Overadvance**"). Without limiting Borrower's obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.4 Payment of Interest on the Credit Extensions.

(a) Interest; Payment. Each Advance shall bear interest on the outstanding principal amount thereof from the date when made, continued or converted until paid in full at a rate per annum equal to (i) for Prime Rate Advances, the Prime Rate plus the Applicable Margin applicable to Prime Rate Advances, and (ii) for LIBOR Advances, the LIBOR Rate plus the Applicable Margin applicable to LIBOR Advances. On and after the expiration of any Interest Period applicable to any LIBOR Advance outstanding on the date of occurrence of an Event of Default or acceleration of the Obligations, the amount of such LIBOR Advance shall, during the continuance of such Event of Default or after acceleration, bear interest at a rate per annum equal to the Prime Rate plus the Applicable Margin applicable to Prime Rate Advance plus, subject to Section 2.4(e), the Default Rate. Pursuant to the terms hereof, interest on each Advance shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of any Advance pursuant to this Agreement for the portion of any Advance so prepaid and upon payment (including prepayment) in full thereof. All accrued but unpaid interest on the Advances shall be due and payable on the Revolving Line Maturity Date.

(b) Prime Rate Advances. Each change in the interest rate of the Prime Rate Advances based on changes in the Prime Rate shall be effective on the effective date of such change and to the extent of such change.

(c) LIBOR Advances. The interest rate applicable to each LIBOR Advance shall be determined in accordance with Section 3.6(a) hereunder. Subject to Sections 3.5 and 3.6, such rate shall apply during the entire Interest Period applicable to such LIBOR Advance, and interest calculated thereon shall be payable on the Interest Payment Date applicable to such LIBOR Advance.

(d) Computation of Interest. Any interest hereunder will accrue from day to day and is calculated on the basis of a year of 360 days for the actual number of days elapsed. In computing interest on any Credit Extension, the date of the making of such Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

(e) **Default Rate.** Upon receipt by Borrower of a notice from Bank following the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is two percentage points (2.0%) above the rate that would otherwise be applicable thereto (the “**Default Rate**”). Payment or acceptance of the increased interest provided in this Section 2.4(e) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

2.5 Fees. Borrower shall pay to Bank:

(a) **Commitment Fee.** A fully earned, non-refundable commitment fee equal to One Hundred Twenty Five Thousand Dollars (\$125,000), on the Effective Date; and

(b) **Unused Revolving Line Facility Fee.** Payable quarterly in arrears on June 1, 2017, on the first day of each calendar quarter occurring thereafter prior to the Revolving Line Maturity Date, and on the Revolving Line Maturity Date, a fee (the “**Unused Revolving Line Facility Fee**”) in an amount equal to one-quarter of one percent (0.25%) per annum of the average unused portion of the Revolving Line, as determined by Bank. The unused portion of the Revolving Line, for purposes of this calculation, shall be calculated on a calendar year basis and shall equal the difference between (i) the Revolving Line, and (ii) the average for the period of the daily closing balance of the Revolving Line outstanding; and

(c) **Bank Expenses.** All Bank Expenses (including reasonable attorneys’ fees and expenses for documentation and negotiation of this Agreement incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(d) **Fees Fully Earned.** Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank’s obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.5 pursuant to the terms of Section 2.6(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.5.

2.6 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit the Designated Deposit Account for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.7. Withholding.

(a) Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, and such payment or other sum payable is not an Excluded Tax, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority.

Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.7 shall survive the termination of this Agreement.

(b) If Bank is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document, it shall deliver to Borrower, at the time or times reasonably requested by Borrower, such properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made in accordance with such exemption or reduction without withholding or at a reduced rate of withholding, as applicable.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures to the Loan Documents;

(b) the Operating Documents and long-form good standing certificates of each Credit Party certified by the Secretary of State (or equivalent agency) of such Credit Party's jurisdiction of organization or formation and the jurisdiction of Borrower's chief executive office as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) duly executed original signatures to the completed Borrowing Resolutions for each Credit Party;

(d) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(e) the Perfection Certificate of Borrower with respect to each Credit Party, together with the duly executed original signatures thereto;

(f) a legal opinion of counsel to the Credit Parties dated as of the Effective Date together with the duly executed original signature thereto;

(g) the duly executed original signatures to the Guaranty, together with the duly executed original signatures to the completed Borrowing Resolutions for each Guarantor;

(h) evidence satisfactory to Bank that the insurance policies required by Section 6.5 hereof are in full force and effect; and

(i) payment of the fees and Bank Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of an executed Notice of Borrowing;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Notice of Borrowing and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) In the event that before or after giving effect to such Credit Extension, the aggregate outstanding amount of all Credit Extensions exceeds Five Million Dollars (\$5,000,000), receipt by Bank of evidence of compliance with the financial covenants set forth in Section 6.7 hereof as of the last day of the most recent fiscal quarter for which financial statements have been delivered pursuant to Section 6.2(a) with the aggregate outstanding amount of all Credit Extensions calculated on a pro forma basis giving effect to such Credit Extension.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing.

(a) Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, an Advance shall be made upon Borrower's irrevocable written notice delivered to Bank by electronic mail in the form of a Notice of Borrowing executed by an Authorized Signer or without instructions if any Advances is necessary to meet Obligations which have become due. Such Notice of Borrowing must be received by Bank prior to 12:00 p.m. Eastern time, (i) at least three (3) Business Days prior to the requested Funding Date, in the case of any LIBOR Advance, and (ii) on the requested Funding Date, in the case of a Prime Rate Advance, specifying: (1) the amount of the Advance; (2) the requested Funding Date; (3) whether the Advance is to be comprised of LIBOR Advances or Prime Rate Advances; and (4) the duration of the Interest Period applicable to any such LIBOR Advances included in such notice; provided that if the Notice of Borrowing shall fail to specify the duration of the Interest Period for any Advance comprised of LIBOR Advances, such Interest Period shall be one (1) month.

(b) On the Funding Date, Bank shall credit proceeds of an Advance to the Designated Deposit Account and, subsequently, shall transfer such proceeds by wire transfer to such other account as Borrower may instruct in the Notice of Borrowing. No Advances shall be deemed made to Borrower, and no interest shall accrue on any such Advance, until the related funds have been deposited in the applicable Designated Deposit Account.

3.5 Conversion and Continuation Elections.

(a) So long as (i) no Event of Default exists; (ii) Borrower shall not have sent any notice of termination of this Agreement; and (iii) Borrower shall have complied with such customary procedures as Bank has established from time to time for Borrower's requests for LIBOR Advances, Borrower may, upon irrevocable written notice to Bank:

- (1) elect to convert on any Business Day, Prime Rate Advances into LIBOR Advances;

- (2) elect to continue on any Interest Payment Date any LIBOR Advances maturing on such Interest Payment Date; or
- (3) elect to convert on any Interest Payment Date any LIBOR Advances maturing on such Interest Payment Date into Prime Rate Advances.

(b) Borrower shall deliver a Notice of Conversion/Continuation by electronic mail to be received by Bank prior to 12:00 p.m. Eastern time (i) at least three (3) Business Days in advance of the Conversion Date or Continuation Date, if any Advances are to be converted into or continued as LIBOR Advances; and (ii) on the Conversion Date, if any Advances are to be converted into Prime Rate Advances, in each case specifying the:

- (1) proposed Conversion Date or Continuation Date;
- (2) aggregate amount of the Advances to be converted or continued;
- (3) nature of the proposed conversion or continuation; and
- (4) if the resulting Advance is to be a LIBOR Advance, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to any LIBOR Advances, Borrower shall have timely failed to select a new Interest Period to be applicable to such LIBOR Advances or request to convert a LIBOR Advance into a Prime Rate Advance, Borrower shall be deemed to have elected for any such LIBOR Advances, to convert such LIBOR Advances into Prime Rate Advances.

(d) Any LIBOR Advances shall, at Bank's option, convert into Prime Rate Advances in the event that (i) an Event of Default exists, or (ii) the aggregate principal amount of the Prime Rate Advances which have been previously converted to LIBOR Advances, or the aggregate principal amount of existing LIBOR Advances continued, as the case may be, at the beginning of an Interest Period shall at any time during such Interest Period exceeds the Availability Amount. Borrower agrees to pay Bank, upon demand by Bank (or Bank may, at its option, debit the Designated Deposit Account or any other account Borrower maintains with Bank) any amounts required to compensate Bank for any loss (including loss of anticipated profits), cost, or expense incurred by Bank, as a result of the conversion of LIBOR Advances to Prime Rate Advances pursuant to this Section 3.5(d).

(e) Notwithstanding anything to the contrary contained herein, Bank shall not be required to purchase Dollar deposits in the London interbank market or other applicable LIBOR market to fund any LIBOR Advances, but the provisions hereof shall be deemed to apply as if Bank had purchased such deposits to fund the LIBOR Advances.

3.6 Special Provisions Governing LIBOR Advances. Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall govern with respect to LIBOR Advances as to the matters covered:

(a) Determination of Applicable Interest Rate. As soon as practicable on each Interest Rate Determination Date, Bank shall determine (which determination shall, absent manifest error in calculation, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Advances for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower.

(b) Inability to Determine Applicable Interest Rate. In the event that Bank shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBOR Advance, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Advance on the basis provided for in the definition of LIBOR, Bank shall on such date give notice (by facsimile or by telephone confirmed in writing) to Borrower of such determination, whereupon (i) no Advances may be made as, or converted to, LIBOR Advances until such time as Bank notifies Borrower that the circumstances giving rise to such notice no longer exist, and (ii) any Notice of Borrowing or Notice of Conversion/Continuation given by Borrower with respect to LIBOR Advances in respect of which such determination was made shall be deemed to be rescinded by Borrower.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. If (i) for any reason, other than a default by Bank or any failure of Bank to fund LIBOR Advances due to impracticability or illegality under Sections 3.7(c) and 3.7(d) of this Agreement, a borrowing or a conversion to or continuation of any LIBOR Advance does not occur on a date specified in a Notice of Borrowing or a Notice of Conversion/Continuation, as the case may be, or (ii) any complete or partial principal payment or reduction of a LIBOR Advance, or any conversion of any LIBOR Advance, occurs on a date prior to the last day of an Interest Period applicable to that LIBOR Advance, including due to voluntary or mandatory prepayment or acceleration, then, in each case, Borrower shall compensate Bank, upon written request by Bank, for all losses and expenses incurred by Bank in an amount equal to the excess, if any, of:

- (1) the amount of interest that would have accrued on the amount (1) not borrowed, converted or continued as provided in clause (i) above, or (2) paid, reduced or converted as provided in clause (ii) above, for the period from (y) the date of such failure to borrow, convert or continue as provided in clause (i) above, or the date of such payment, reduction or conversion as provided in clause (ii) above, as the case may be, to (z) in the case of a failure to borrow, convert or continue as provided in clause (i) above, the last day of the Interest Period that would have commenced on the date of such borrowing, conversion or continuing but for such failure, and in the case of a payment, reduction or conversion prior to the last day of an Interest Period applicable to a LIBOR Advance as provided in clause (ii) above, the last day of such Interest Period, in each case at the applicable rate of interest or other return for such LIBOR Advance(s) provided for herein (excluding, however, the LIBOR Rate Margin included therein, if any), over
- (2) the interest which would have accrued to Bank on the applicable amount provided in clause (A) above through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to the definition of LIBOR Rate on the date of such failure to borrow, convert or continue as provided in clause (i) above, or the date of such payment, reduction or conversion as provided in clause (ii) above, as the case may be, for a period equal to the remaining period of such applicable Interest Period provided in clause (A) above.

Bank's request shall set forth the manner and method of computing such compensation and such determination as to such compensation shall be conclusive absent manifest error.

(d) Assumptions Concerning Funding of LIBOR Advances. Calculation of all amounts payable to Bank under this Section 3.6 and under Section 3.7 shall be made as though Bank had actually funded each relevant LIBOR Advance through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to the definition of LIBOR Rate in an amount equal to the amount of such LIBOR Advance and having a maturity comparable to the relevant Interest Period; provided, however, that Bank may fund each of its LIBOR Advances in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 3.6 and under Section 3.7.

(e) LIBOR Advances After Default. After the occurrence and during the continuance of an Event of Default, (i) Borrower may not elect to have an Advance be made or continued as, or converted to, a LIBOR Advance after the expiration of any Interest Period then in effect for such Advance and (ii) subject to the provisions of Section 3.6(c), any Notice of Conversion/Continuation given by Borrower with respect to a requested conversion/continuation that has not yet occurred shall, at Bank's option, be deemed to be rescinded by Borrower and be deemed a request to convert or continue Advances referred to therein as Prime Rate Advances.

3.7 Additional Requirements/Provisions Regarding LIBOR Advances.

(a) Borrower shall pay Bank, upon demand by Bank, from time to time such amounts as Bank may determine to be necessary to compensate it for any costs incurred by Bank that Bank determines are attributable to its making or maintaining of any amount receivable by Bank hereunder in respect of any LIBOR Advances relating thereto (such increases in costs and reductions in amounts receivable being herein called “**Additional Costs**”), in each case resulting from any Regulatory Change which:

- (i) changes the basis of taxation of any amounts payable to Bank under this Agreement in respect of any LIBOR Advances (other than changes which affect taxes measured by or imposed on the overall net income of Bank);
- (ii) imposes or modifies any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with, or other liabilities of Bank (including any LIBOR Advances or any deposits referred to in the definition of LIBOR); or
- (iii) imposes any other condition affecting this Agreement (or any of such extensions of credit or liabilities).

Bank will notify Borrower of any event occurring after the Effective Date which will entitle Bank to compensation pursuant to this Section 3.7(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation. Bank will furnish Borrower with a statement setting forth the basis and amount of each request by Bank for compensation under this Section 3.7(a). Determinations and allocations by Bank for purposes of this Section 3.7(a) of the effect of any Regulatory Change on its costs of maintaining its obligations to make LIBOR Advances, of making or maintaining LIBOR Advances, or on amounts receivable by it in respect of LIBOR Advances, and of the additional amounts required to compensate Bank in respect of any Additional Costs, shall be conclusive absent manifest error.

(b) If Bank shall determine that the adoption or implementation of any applicable law, rule, regulation, or treaty regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by Bank (or its applicable lending office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on capital of Bank or any person or entity controlling Bank (a “**Parent**”) as a consequence of its obligations hereunder to a level below that which Bank (or its Parent) could have achieved but for such adoption, change, or compliance (taking into consideration policies with respect to capital adequacy) by an amount deemed by Bank to be material, then from time to time, within ten (10) days after demand by Bank, Borrower shall pay to Bank such additional amount or amounts as will compensate Bank for such reduction. A statement of Bank claiming compensation under this Section 3.7(b) and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error.

Notwithstanding anything to the contrary in this Section 3.7, Borrower shall not be required to compensate Bank pursuant to this Section 3.7(b) for any amounts incurred more than nine (9) months prior to the date that Bank notifies Borrower of Bank’s intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of Borrower arising pursuant to this Section 3.7(b) shall survive the Revolving Line Maturity Date, the termination of this Agreement and the repayment of all Obligations.

(c) If, at any time, Bank, in its sole and absolute discretion, determines that (i) the amount of LIBOR Advances for periods equal to the corresponding Interest Periods are not available to Bank in the offshore currency interbank markets, or (ii) LIBOR does not accurately reflect the cost to Bank of lending the LIBOR Advances, then Bank shall promptly give notice thereof to Borrower. Upon the giving of such notice, Bank’s obligation to make the LIBOR Advances shall terminate; provided, however, LIBOR Advances shall not terminate if Bank and Borrower agree in writing to a different interest rate applicable to LIBOR Advances.

(d) If it shall become unlawful for Bank to continue to fund or maintain any LIBOR Advances, or to perform its obligations hereunder, upon demand by Bank, Borrower shall prepay the LIBOR Advances in full with accrued interest thereon and all other amounts payable by Borrower hereunder (including, without limitation, any amount payable in connection with such prepayment pursuant to Section 3.6(c)(ii)). Notwithstanding the foregoing, to the extent a determination by Bank as described above relates to a LIBOR Advance then being requested by Borrower pursuant to a Notice of Borrowing or a Notice of Conversion/Continuation, Borrower shall have the option, subject to the provisions of Section 3.6(c), to (i) rescind such Notice of Borrowing or Notice of Conversion/Continuation by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such rescission on the date on which Bank gives notice of its determination as described above, or (ii) modify such Notice of Borrowing or Notice of Conversion/Continuation to obtain a Prime Rate Advance or to have outstanding Advances converted into or continued as Prime Rate Advances by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such modification on the date on which Bank gives notice of its determination as described above.

(e) If Bank requests compensation under this Section 3.7, or requires Borrower to pay additional amounts to, or for the account of, Bank, then Bank shall (at the request of Borrower) use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in Bank's judgment, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to this Section 3.6 in the future, and (b) would not subject Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to Bank.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with this Section 4.1 (collectively, the "**Remaining Obligations**")) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than Remaining Obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than Remaining Obligations), are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to at least one hundred five percent (105.0%) of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens). If Borrower shall acquire a commercial tort claim for monetary damages in excess of One Hundred Thousand Dollars (\$100,000.00), Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Each Credit Party is duly existing and in good standing in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate". Borrower represents and warrants to Bank that (a) each Credit Party's exact legal name is that indicated on the Perfection Certificate and on the signature page of each Loan Document to which such Credit Party is a party; (b) the Credit Party is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth each Credit Party's organizational identification number or accurately states that the applicable Credit Party has none; (d) the Perfection Certificate accurately sets forth each Credit Party's place of business, or, if more than one, its chief executive office as well as each Credit Party's mailing address (if different than its chief executive office); (e) no Credit Party (and each of its predecessors) has in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to the Credit Parties is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent not prohibited by one or more specific provisions in this Agreement) in all material respects. If a Credit Party is not now a Registered Organization but later becomes one, Borrower shall within fifteen (15) days notify Bank of such occurrence and provide Bank with such Credit Party's organizational identification number.

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of the Credit Party's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any material applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which any Credit Party or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect or will be obtained on the Effective Date), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which a Credit Party is bound. No Credit Party is in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Each Credit Party has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens. No Credit Party has Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith or as such Credit Party has otherwise notified Bank pursuant to Section 6.6(b), in each case for which the Credit Parties have taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the term of Section 6.6. The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate and except for Collateral valued in the aggregate for all locations at less than Four Hundred Fifty Thousand Dollars (\$450,000.00) at any time. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2 or Collateral consisting of computer equipment which by its nature is intended to be maintained at locations other than Borrower's principal places of business in the ordinary course of business in an aggregate amount for all such locations not to exceed One Million Dollars (\$1,000,000.00).

All Inventory is in all material respects of good and marketable quality, free from material defects.

Each Credit Party is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to a Credit Party and noted on the Perfection Certificate. Each Patent which a Credit Party owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which a Credit Party owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, no Credit Party is a party to, nor is it bound by, any Restricted License.

5.3 Reserved.

5.4 Litigation. There is no action or proceeding pending or, to the knowledge of any Responsible Officer, any non-frivolous threat of action or proceeding in writing by or against any Credit Party involving more than, individually or in the aggregate, Five Hundred Thousand Dollars (\$500,000.00).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Holdings and any of its Subsidiaries delivered to Bank fairly present in all material respects Holdings' consolidated financial condition and Holdings' consolidated results of operations. There has not been any material deterioration in Holdings' consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of the Credit Parties' consolidated assets (including goodwill minus disposition costs) exceeds the fair value of the Credit Parties' liabilities; the Credit Parties are not left with unreasonably small capital after the transactions in this Agreement; and the Credit Parties are able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. No Credit Party is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. No Credit Party is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Each Credit Party (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of the properties or assets of any Credit Party have been used by any Credit Party or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Each Credit Party has obtained all material consents, approvals and authorizations of, made all material declarations or filings with, and given all material notices to, all Government Authorities that are necessary to continue its respective business as currently conducted.

5.8 Subsidiaries; Investments. The Credit Parties do not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Each Credit Party has timely filed all required tax returns and reports, and each Credit Party has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Credit Party except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars (\$50,000.00).

To the extent any Credit Party defers payment of any contested taxes in excess of One Hundred Thousand Dollars (\$100,000.00), Borrower shall (i) within thirty (30) days notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of the Credit Parties' prior tax years which could result in additional taxes becoming due and payable by any Credit Party. Each Credit Party has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and no Credit Party has withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any material liability of any Credit Party, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements (including Permitted Acquisitions) and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of any Credit Party in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6. AFFIRMATIVE COVENANTS

Each Credit Party shall (and, when applicable, shall cause each of its Subsidiaries (other than any Immaterial Subsidiary) to) do all of the following:

6.1 Government Compliance.

(a) Maintain its and each Credit Party's legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Credit Party comply, in all material respects, with all material laws, ordinances and regulations to which it is subject.

(b) Obtain all material Governmental Approvals necessary for the performance by each Credit Party of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) Quarterly Financial Statements. As soon as available, but no later than forty-five (45) days after the last day of each of the first three (3) fiscal quarters of each year, a company prepared consolidated and consolidating balance sheet and income statement covering Holdings' and each of its Subsidiary's operations for such quarter certified by a Responsible Officer and in a form acceptable to Bank (the "**Quarterly Financial Statements**");

(b) **Compliance Certificate.** Together with the financial statements delivered pursuant to Sections 6.2(a) and (d), a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of the applicable period, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement (to the extent required pursuant to Section 6.7) and such other information as Bank may reasonably request;

(c) **Annual Operating Budget and Financial Projections.** Within ninety (90) days after the end of each fiscal year of Borrower, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Borrower, and (ii) annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections;

(d) **Annual Audited Financial Statements.** As soon as available, but no later than one hundred fifty (150) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from a nationally recognized independent certified public accounting firm reasonably acceptable to Bank;

(e) **SEC Filings.** In the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) Business Days of filing, copies of all periodic and other reports, proxy statements and other materials filed by any Credit Party with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall within five (5) Business Days notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(f) **Legal Action Notice.** A prompt report of any legal action pending or the non-frivolous threat of legal action in writing against Borrower or any of its Subsidiaries that could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Five Hundred Thousand Dollars (\$500,000.00) or more; and

(g) **Other Financial Information.** Other financial information reasonably requested by Bank.

6.3 Accounts Receivable. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Bank of all returns, recoveries, disputes and claims relating to accounts receivable that in a single month, the aggregate amount involve more than Two Hundred Fifty Thousand Dollars (\$250,000.00).

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports (other than tax returns and reports of Immaterial Subsidiaries that are immaterial to Holdings and its Subsidiaries taken as a whole) and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries (other than foreign, federal, state and local taxes, assessments, deposits and contributions owed by Immaterial Subsidiaries that are immaterial to Holdings and its Subsidiaries taken as a whole), except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are reasonably satisfactory to Bank.

All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Two Hundred Fifty Thousand Dollars (\$250,000) with respect to any loss, but not exceeding Five Hundred Thousand Dollars (\$500,000) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations.

(c) At Bank's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Bank deems prudent.

6.6 Operating Accounts.

(a) At all times after the date that is ninety (90) days after the Effective Date, maintain all of its and all of its Domestic Subsidiaries' primary operating accounts and securities accounts in the United States with Bank or Bank's Affiliates.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank.

(c) Notwithstanding anything to the contrary herein, the provisions of this Section 6.6 shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.7 Financial Covenants. If as of the last day of any fiscal quarter, the outstanding balance of the Revolving Line exceeds Five Million Dollars (\$5,000,000), the following financial covenants shall be tested for such fiscal quarter:

(a) Minimum Adjusted Quick Ratio. Maintain, as of the last day of such fiscal quarter on a consolidated basis with respect to Holdings and its Subsidiaries, a ratio of Quick Assets to Current Liabilities minus the current portion of Deferred Revenue of at least 1.25 to 1.00.

(b) Minimum EBITDA. Achieve, measured as of the end of such fiscal quarter for the trailing four quarter period then ended during the following periods (as applicable), EBITDA on a consolidated basis with respect to Holdings and its Subsidiaries of at least the following:

Fiscal Quarter(s) ending	Minimum EBITDA
March 31, 2017	(\$ 10,000,000)
June 30, 2017	(\$ 15,000,000)
September 30, 2017 through March 31, 2018	(\$ 10,000,000)
June 30, 2018 through December 31, 2018	(\$ 5,000,000)
March 31, 2019 and each fiscal quarter ending thereafter	\$ 1

6.8 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property, consistent with sound commercial practices; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall, and shall cause any applicable Credit Party to, take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank upon reasonable request, without expense to Bank, each Credit Party and its officers, employees and agents and each Credit Party's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to the Credit Parties.

6.10 Access to Collateral; Books and Records. Allow Bank, or its agents, at reasonable times, on three (3) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), to inspect the Collateral and audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be \$1,000.00 per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of \$1,000.00 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.11 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof,

(a) at the time that any Credit Party forms any direct or indirect wholly-owned Domestic Subsidiary or acquires any direct or indirect wholly-owned Domestic Subsidiary (in each case, other than any CFC Holdco or Immaterial Subsidiary (subject to the terms of the definition thereof)) after the Effective Date, such Credit Party shall (a) cause such new Domestic Subsidiary to provide to Bank a joinder to the Loan Agreement to cause such Domestic Subsidiary to become a co-borrower hereunder or a joinder to the Guaranty to become a Guarantor thereunder, together with such appropriate financing statements and/or Control Agreements, all in form and

substance reasonably satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Domestic Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Domestic Subsidiary, in form and substance reasonably satisfactory to Bank; and (c) provide to Bank all other documentation in form and substance reasonably satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above.

(b) at any time that any Credit Party forms any direct Foreign Subsidiary or acquires any direct Foreign Subsidiary (in each case, other than any Immaterial Subsidiary (subject to the terms of the definition thereof)) after the Effective Date, the Credit Parties shall, provide to Bank such amendment(s) to the Loan Documents to cause the pledge of 65% of the voting capital stock of such Foreign Subsidiary owned by the applicable Credit Party as Collateral and deliver to Bank appropriate stock certificates and stock powers (if certificated), and financing statements pledging 65% of the voting capital stock of such Foreign Subsidiary.

(c) Any document, agreement, or instrument executed or issued pursuant to this Section 6.11 shall be a Loan Document.

6.12 Certain Post-Closing Requirements.

(a) Within sixty (60) days following the Effective Date, Borrower shall use commercially reasonable efforts to provide a landlord's consent in favor of Bank for Borrower's leased premises located in Columbia, Maryland by the respective landlord thereof, together with the duly executed original signatures thereto.

(b) Within thirty (30) days following the Effective Date (which date may be extended in the sole discretion of Bank), Borrower shall deliver to Bank stock certificates and stock powers representing 65% of the voting capital stock of Tenable Network Security Ireland Limited, a company organized under the laws of The Republic of Ireland.

(c) Within fifteen (15) Business Days following the Effective Date (which date may be extended in the sole discretion of Bank), Borrower shall deliver to Bank evidence satisfactory to Bank that the endorsements required by Section 6.5 hereof are in full force and effect, including appropriate evidence showing lender loss payable and/or additional insured endorsements in favor of Bank. During the period commencing on the Effective Date and ending on the date that is the earlier of (i) the date on which Borrower delivers to Bank the endorsements required pursuant to the immediately preceding sentence and (ii) the date that is fifteen (15) Business Days following the Effective Date, Borrower shall not be deemed to be in breach of Section 6.5 hereof for failure to have such endorsements in full force and effect.

6.13 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) Business Days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Holdings and its Subsidiaries (other than any Immaterial Subsidiary) taken as a whole.

7. NEGATIVE COVENANTS

Each Credit Party shall not (or permit any Subsidiary (other than an Immaterial Subsidiary except as expressly set forth below) to) do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "Transfer"), or permit any of its Subsidiaries (including any Immaterial Subsidiaries) to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out, obsolete or other unneeded Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower not prohibited under Section 7.2 of this Agreement; (e) consisting of the Credit Parties' use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (f) of non-exclusive licenses for the use of the property of any Credit Party or its Subsidiaries in the ordinary course of business; (g) from any Credit Party or any Subsidiary thereof to any other Credit Party; (h) from any Subsidiary of Holdings that is not a Credit Party to any other Subsidiary of Holdings that is not a Credit Party; (i) from any Credit Party to any Subsidiary of Holdings consisting of Intellectual Property provided that such Subsidiary is either (x) a Credit Party or (y) a Foreign Subsidiary with respect to which a Credit Party has pledged such Foreign Subsidiaries voting capital stock in accordance with the terms of Section 6.11(b); and (j) not otherwise permitted by this Section 7.1 in an amount not to exceed Two Hundred Thousand Dollars (\$200,000) in the aggregate in any fiscal year.

7.2 Changes in Business, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) permit or suffer any Change in Control.

The Credit Parties shall not, without at least thirty (30) days prior written notice to Bank: (1) (a) add any new offices or business locations not already disclosed in the Perfection Certificate, unless the Credit Parties' assets or property at such new offices or business locations, together with the Credit Parties' assets or property at all locations in the possession of third party bailees for which a bailee agreement is not in effect, does not exceed Four Hundred Fifty Thousand Dollars (\$450,000.00) in the Credit Parties' assets or property in the aggregate for all locations, or (b) deliver any portion of the Collateral valued, individually or in the aggregate with any Collateral in the possession of third party bailees for which a bailee agreement is not in effect, in excess of Four Hundred Fifty Thousand Dollars (\$450,000.00) to a new office or business location not already disclosed in the Perfection Certificate, in each case, other than Collateral consisting of computer equipment which by its nature is intended to be maintained at locations other than Borrower's principal places of business in the ordinary course of business in an aggregate amount for all such locations not to exceed One Million Dollars (\$1,000,000.00), (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If any Credit Party intends to deliver any portion of the Collateral (valued in excess of Four Hundred Fifty Thousand Dollars (\$450,000.00) for all locations) to a third party bailee at a location other than as provided in the Perfection Certificate (other than computer equipment which by its nature is intended to be maintained at locations other than Borrower's places of business in an aggregate amount for all such locations not to exceed One Million Dollars (\$1,000,000.00)), and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which the Credit Parties intend to deliver the Collateral, then such Credit Party will first receive the written consent of Bank, and shall use commercially reasonable efforts to have such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers or Acquisitions. Except for Permitted Acquisitions, merge or consolidate, or permit any of its Subsidiaries (other than any Immaterial Subsidiary) to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries (other than any Immaterial Subsidiary) to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary). A Subsidiary may merge or consolidate into another Subsidiary or into Borrower or another Credit Party.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary (including any Immaterial Subsidiary) to do so, other than Permitted Indebtedness.

7.5 Encumbrance. (a) Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries (including any Immaterial Subsidiary) to do so, except for Permitted Liens, (b) permit any Collateral not to be subject to the first priority security interest granted herein, or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary (including any Immaterial Subsidiary) from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or other payments with respect to the equity interests of Holdings or redeem, retire or purchase any capital stock of Holdings provided that (i) Holdings may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Holdings may pay dividends solely in common stock; (iii) Holdings may pay de minimis amounts of cash in lieu of fractional shares upon conversion of convertible securities or upon any stock split or consolidation; (iv) Holdings may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) per fiscal year, and (v) Holdings may make payments to its equity holders, the proceeds of which shall be used solely (A) to pay franchise taxes and other fees to maintain its corporate existence, (B) to pay income taxes of Holdings to the extent such income taxes are attributable to the income of Holdings and its Subsidiaries, and (C) to pay operating costs and expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties) incurred in the ordinary course of business, provided that the aggregate amount of all such payments pursuant to this clause (v)(C) do not exceed One Hundred Fifty Thousand Dollars (\$150,000.00) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries (other than Immaterial Subsidiaries) to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of a Credit Party, except for (a) transactions between Credit Parties not otherwise restricted hereunder, (b) transactions permitted by Sections 7.1, 7.4 or 7.7 hereof, and (c) transactions that are in the ordinary course of such Credit Party's business, upon fair and reasonable terms that are no less favorable to such Credit Party than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to (a) meet the minimum funding requirements of ERISA, (b) prevent a Reportable Event or non-exempt Prohibited Transaction, as defined in ERISA, from occurring, or (c) comply with the Federal Fair Labor Standards Act, the failure of any of the conditions described in clauses (a) through (c) which could reasonably be expected to have a material adverse effect on Borrower's business; or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any material liability of Borrower, including any material liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal on any Credit Extension when due, or (b) make any payment of interest or pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Any Credit Party fails or neglects to perform any obligation in Sections 6.2, 6.6, 6.7, 6.10, 6.12, 6.13 or violates any covenant in Section 7; or

(b) Any Credit Party fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within fifteen (15) Business Days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the fifteen (15) Business Days or cannot after diligent attempts by the applicable Credit Party be cured within such fifteen (15) Business Days period, and such default is likely to be cured within a reasonable time, then such Credit Party shall have an additional period (which shall not in any case exceed forty-five (45) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply to financial covenants or any other covenants set forth in clause (a) above;

8.3 Collateral Issues. Bank shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Loan Documents with the priority required by the relevant Loan Document, in each case for any reason other than the failure of Bank to take any action within its control.

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of a Credit Party or of any entity under the control of a Credit Party (including a Subsidiary) in excess of \$250,000, or (ii) a notice of lien or levy is filed against any Credit Party's assets by any Governmental Authority in an amount greater than \$250,000, and the same under subclauses (i) and (ii) hereof are not, within fifteen (15) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any fifteen (15) day cure period; or

(b) (i) any material portion of any Credit Party's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Any Credit Party is unable to pay its debts (including trade debts) as they become due or any Credit Party fails to be solvent as described under Section 5.6 hereof; (b) any Credit Party begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against any Credit Party and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which any Credit Party is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00); or (b) any breach or default by any Credit Party, the result of which could have a material adverse effect on any Credit Party's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against any Credit Party by any Governmental Authority, and the same are not, within forty five (45) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Any Credit Party or any Person acting for any Credit Party makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. The Obligations shall for any reason not be senior (in lien and rights to payment) to any Subordinated Debt or shall not have the lien or payment priority contemplated by the applicable subordination or intercreditor agreement;

8.10 Guaranty. (a) Any Guaranty terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any Guaranty; (c) the liquidation, winding up, or termination of existence of any Guarantor; or (d) a material impairment in the perfection or priority of Bank's Lien in the collateral provided by Guarantor or in the value of such collateral; or

8.11 Governmental Approvals. Any material Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could reasonably be expected to result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal would (i) cause, or could reasonably be expected to cause, a material adverse effect on Borrower's business, or (ii) adversely affect the legal qualifications of Borrower or any other Credit Party to hold such material Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any other Credit Party to hold any material Governmental Approval in any other jurisdiction.

9. BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to at least 105% of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of any Credit Party it holds, or (ii) any amount held by Bank owing to or for the credit or the account of any Credit Party;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, each Credit Party's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, each Credit Party's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed (other than Remaining Obligations) and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency.

If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Tenable Network Security, Inc.
7021 Columbia Gateway Drive, Suite 500
Columbia, Maryland 21046
Attn: General Counsel
Email: legal@tenable.com

If to Bank: Silicon Valley Bank
1000 Wilson Blvd, Suite 2110
Arlington, Virginia 22209
Attn: Mr. Will Deevy
Fax: (617) 969-5965
Email: wdeevy@svb.com

with a copy to: Riemer & Braunstein LLP Three Center Plaza
Boston, Massachusetts 02108
Attn: Charles W. Stavros, Esquire
Fax: (617) 880-3456
Email: cstavros@riemerlaw.com

11. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12. GENERAL PROVISIONS

12.1 Termination Prior to Revolving Line Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied (other than Remaining Obligations). So long as Borrower has satisfied the Obligations (other than Remaining Obligations), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank or such shorter period as Bank shall agree). Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, with the prior consent of Borrower (not to be unreasonably withheld or delayed) so long as there is no continuing Event of Default, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents. Bank shall maintain a register of the names and addresses of each Person and the commitments of, and principal amounts (and stated interest) of the loans owing to, such Person pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Borrower shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any lender, at any reasonable time and from time to time upon reasonable prior notice.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from the Loan Documents (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct or result from a claim brought by Holdings or any of its Subsidiaries against an Indemnified Person for breach in bad faith of such person's obligations hereunder or under any other Loan Document.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Bank provides Borrower with written notice of such correction and allows Borrower at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Bank and Borrower.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; provided Bank shall make reasonable efforts to notify Borrower of any such required disclosure; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein.

Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive termination of this Agreement.

12.10 Right of Set Off. Borrower hereby grants to Bank, a lien, security interest and right of set off as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13. DEFINITIONS

As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“**Account**” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

“**Account Debtor**” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“**Advance**” or “**Advances**” means a revolving credit loan (or revolving credit loans) under the Revolving Line.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“**Agreement**” is defined in the preamble hereof.

“**Applicable Margin**” means (a) in respect of LIBOR Advances, two percent (2.00%), and (b) in respect of Prime Rate Advances, one percent (1.00%).

“**Authorized Signer**” is any individual listed in Borrower’s Borrowing Resolution who is authorized to execute the Loan Documents, including any Notice of Borrowing or Advance request, on behalf of Borrower.

“**Availability Amount**” is (a) the Revolving Line, minus (b) the aggregate Dollar Equivalent amount of all outstanding Letters of Credit (including, without duplication, drawn but unreimbursed Letters of Credit) plus an amount equal to the Letter of Credit Reserve, minus (c) the outstanding principal balance of any Advances.

“**Bank**” is defined in the preamble hereof.

“**Bank Entities**” is defined in Section 12.9.

“**Bank Expenses**” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower or any Guarantor pursuant to the Loan Documents.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a “**Bank Services Agreement**”).

“**Bank Services Agreement**” is defined in the definition of Bank Services.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are all any Credit Party’s books and records including ledgers, federal and state tax returns, records regarding any Credit Party’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Borrowing Resolutions**” are, with respect to any Person, those resolutions adopted by such Person’s board of directors (and, if required under the terms of such Person’s Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including any Notice of Borrowing or other Advance request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

“Business Day” is any day that is not a Saturday, Sunday or other day on which banking institutions in the State of California are authorized or required by law or other governmental action to close, except that if any determination of a “Business Day” shall relate to a LIBOR Advance, the term “Business Day” shall also mean a day on which dealings are carried on in the London interbank market, and if any determination of a “Business Day” shall relate to an FX Contract, the term “Business Day” shall mean a day on which dealings are carried on the country of settlement of the Foreign Currency.

“Cash Equivalents” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) Bank’s certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

“CFC” means a “controlled foreign corporation” within the meaning of Section 957(a) of the Code.

“CFC Holdco” means a Domestic Subsidiary that has no material assets other than equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) of one or more Foreign Subsidiaries that are CFCs.

“Change in Control” means (a) any transaction or series of related transactions which result in any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) that are not stockholders of Holdings on the Effective Date (or their Affiliates) to become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty percent (40%) or more of the ordinary voting power for the election of directors of Holdings (determined on a fully diluted basis) other than by the sale of Holdings’ equity securities in a public offering or to venture capital or private equity investors so long as Holdings identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; or (b) at any time, Holdings shall cease to own and control, of record and beneficially, directly or indirectly, 100% of each class of outstanding capital stock of Borrower and each Guarantor (other than Holdings) free and clear of all Liens (except Liens created by this Agreement).

“Claims” is defined in Section 12.3.

“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles of the Code, the definition of such term contained in Article shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term **“Code”** shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“**Collateral**” is any and all properties, rights and assets of Borrower described on Exhibit A.

“**Collateral Account**” is any Deposit Account, Securities Account, or Commodity Account of any Credit Party, other than (a) any account that does not have a balance in excess of \$10,000 individually and \$25,000 in the aggregate at any time, (b) withholding tax and fiduciary accounts, (c) any account used exclusively for payroll taxes and other employee wage and benefit payments and (d) any account the balance of which is swept at the end of each Business Day into a Collateral Account subject to the Bank’s control.

“**Commodity Account**” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“**Compliance Certificate**” is that certain certificate in the form attached hereto as Exhibit D.

“**Contingent Obligation**” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“**Continuation Date**” means any date on which Borrower continues a LIBOR Advance into another Interest Period.

“**Control Agreement**” is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“**Conversion Date**” means any date on which Borrower converts a Prime Rate Advance to a LIBOR Advance or a LIBOR Advance to a Prime Rate Advance.

“**Copyrights**” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“**Credit Extension**” is any Advance, Letter of Credit or any other extension of credit by Bank for Borrower’s benefit under this Agreement.

“**Credit Party**” means Borrower and each Guarantor.

“**Current Liabilities**” are the outstanding principal balance of all Obligations (including, without limitation, all Advances, plus, the aggregate Dollar Equivalent amount of all outstanding Letters of Credit (including, without duplication, drawn but unreimbursed Letters of Credit)), plus, without duplication, the aggregate amount of Borrower’s Total Liabilities that mature within one (1) year.

“**Default**” means any event which with notice or passage of time or both, would constitute an Event of Default.

“**Default Rate**” is defined in Section 2.4(e).

“Deferred Revenue” is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“Designated Deposit Account” is the multicurrency account denominated in Dollars, account number 3300938303, maintained by Borrower with Bank.

“Dollars,” “dollars” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“Dollar Equivalent” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“Domestic Subsidiary” means any Subsidiary that is a created or organized under the laws of the United States, any State thereof or the District of Columbia.

“EBITDA” shall mean (a) Net Income, plus (b) Interest Expense, plus (c) to the extent deducted in the calculation of Net Income, depreciation expense and amortization expense, plus (d) income tax expense, plus (e) stock option and other equity-based compensation expenses, plus (f) the change in Deferred Revenue from the prior measurement period.

“Effective Date” is defined in the preamble hereof.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, and its regulations. **“Event of Default”** is defined in Section 8.

“Exchange Act” is the Securities Exchange Act of 1934, as amended.

“Excluded Assets” means (a) assets located outside the United States or assets that require action under the law of any non-U.S. jurisdiction to create or perfect a security interest in such assets under such non-U.S. jurisdiction; (b) any property to the extent that such grant of a security interest is prohibited by any Requirement of Law of a Governmental Authority or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except (i) to the extent that the terms in such contract, license, instrument or other document providing for such prohibition, breach, default or termination, or requiring such consent are not permitted under the terms and conditions of this Agreement or (ii) to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent is ineffective under Section 9-406, 9-407, 9-408 or 9-409 of the Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the United States Bankruptcy Code) or principles of equity; provided, however, that such security interest shall attach immediately at such time as such Requirement of Law is not effective or applicable, or such prohibition, breach, default or termination is no longer applicable or is waived, and to the extent severable, shall attach immediately to any portion of the Collateral that does not result in such consequences; (c) voting equity interests in excess of 65% of the voting equity interests of any CFC or CFC Holdco or any of the equity interests of a Subsidiary of a CFC or CFC Holdco; and (d) any Collateral with respect to which Bank has determined, in consultation with Borrower, that the costs of obtaining a security interest in such Collateral are excessive in relation to the benefits provided by such security interest; provided, however, that any proceeds, substitutions or replacements of any Excluded Assets shall not be Excluded Assets (unless such proceeds, substitutions or replacements are otherwise, in and of themselves, Excluded Assets); and provided further, that “Excluded Assets” shall not include capital stock representing 65% of the voting capital stock of (i) Tenable Network Security Ireland Limited, a company organized under the laws of The Republic of Ireland or (ii) any other direct Foreign Subsidiary (in each case, other than any Immaterial Subsidiary (subject to the terms of the definition thereof)) formed or acquired after the Effective Date of any Credit Party.

“Excluded Taxes” means any of the following taxes imposed on or with respect to Bank or required to be withheld or deducted from a payment to Bank, (a) taxes imposed on or measured by net income (however denominated), franchise taxes, and branch profits taxes, in each case, (i) imposed as a result of Bank being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof) or (ii) taxes imposed as a result of a present or former connection between Bank and the jurisdiction imposing such tax (other than connections arising from Bank having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any loan or Loan Document), (b) U.S. federal withholding taxes imposed on amounts payable to or for the account of Bank with respect to an applicable interest in a loan or commitment pursuant to a law in effect on the date on which (i) Bank acquires such interest in the loan or commitment or (ii) Bank changes its lending office, except in each case to the extent that, pursuant to Section 2.7(a), amounts with respect to such taxes were payable either to Bank’s assignor immediately before Bank became a party hereto or to Bank immediately before it changed its lending office, (c) taxes attributable to Bank’s failure to comply with Section 2.7(b) and (d) any U.S. federal withholding taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Foreign Currency” means lawful money of a country other than the United States.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Funding Date” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“FX Contract” is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“GAAP” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“General Intangibles” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Governmental Authority” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Guarantor” is any Person providing a Guaranty in favor of Bank, including, without limitation, Holdings. **“Guaranty”** is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“Holdings” is Tenable Holdings, Inc., a Delaware corporation.

“Immaterial Subsidiary” means any Subsidiary of any Credit Party that did not either (A) contribute more than the greater of (x) \$2,000,000 in EBITDA or (y) 10.0% of the consolidated EBITDA of Holdings and its Subsidiaries for the most recently ended fiscal quarter, or (B) have assets of 10.0% or more of the total assets of Holdings and its Subsidiaries as of the last day of the most recently ended fiscal quarter (in each case excluding intra-group items, investments in Subsidiaries and off-balance sheet joint ventures); provided, if at any time and from time to time after the Effective Date, all Immaterial Subsidiaries in the aggregate (A) contribute more than the greater of (x) \$5,000,000 in EBITDA or (y) 10.0% or more of the consolidated EBITDA of Holdings and its Subsidiaries for the most recently ended fiscal quarter or (B) have assets of 10.0% or more of the total assets of Holdings and its Subsidiaries as of the last day of the most recently ended fiscal quarter (in each case excluding intra-group items, investments in Subsidiaries and off-balance sheet joint ventures), then Borrower shall, not later than thirty days after the date by which financial statements for such period are required to be delivered pursuant to this Agreement (or such longer period as Bank may agree in its reasonable discretion), (i) designate in writing to Bank that one or more of such Subsidiaries is no longer an Immaterial Subsidiary for purposes of this Agreement to the extent required such that the foregoing condition ceases to be true and (ii) comply with the provisions of Section 6.11 applicable to such Subsidiaries; and provided, further, that no Subsidiary that owns (or is the licensee of (other than a non-exclusive license for the use of the property of any Credit Party or its Subsidiaries in the ordinary course of business)) any Intellectual Property that is material to the business of Holdings and its Subsidiaries shall constitute an “Immaterial Subsidiary”.

“Indebtedness” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, but excluding (x) any “earn-out” or other contingent payments with respect to any acquisition that are not stated as a liability on the balance sheet of the acquiring Person in accordance with GAAP and (y) accounts payable incurred in the ordinary course of business that are not overdue by more than ninety days, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations; provided that, any contingent loans or other liabilities to the Maryland Department of Commerce (or related party) provided pursuant to the Maryland Economic Development Assistance Fund shall not be included as “Indebtedness” for purpose of this Agreement provided that such contingent loans or other liabilities (i) shall not require any cash payments by any Credit Party of principal, interest or any other amounts solely with respect to the repayment of such loans during the term of this Agreement and (ii) the principal amount of contingent loans or other liabilities shall not exceed \$2,500,000 during the term of this Agreement..

“Indemnified Person” is defined in Section 12.3.

“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Interest Expense” means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of credit and bankers’ acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

“Interest Payment Date” means, with respect to any LIBOR Advance, the last day of each Interest Period applicable to such LIBOR Advance and, with respect to Prime Rate Advances, the first day of each month (or, if that day of the month does not fall on a Business Day, then on the first Business Day following such date), and each date a Prime Rate Advance is converted into a LIBOR Advance to the extent of the amount converted to a LIBOR Advance.

“Interest Period” means, as to any LIBOR Advance, the period commencing on the date of such LIBOR Advance, or on the conversion/continuation date on which the LIBOR Advance is converted into or continued as a LIBOR Advance, and ending on the date that is one, two, three, or six months thereafter, in each case as Borrower may elect in the applicable Notice of Borrowing or Notice of Conversion/Continuation; provided, however, that (a) no Interest Period with respect to any LIBOR Advance shall end later than the Revolving Line Maturity Date, (b) the last day of an Interest Period shall be determined in accordance with the practices of the LIBOR interbank market as from time to time in effect, (c) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of a LIBOR Advance, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day, (d) any Interest Period pertaining to a LIBOR Advance that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period, and (e) interest shall accrue from and include the first Business Day of an Interest Period but exclude the last Business Day of such Interest Period.

“Interest Rate Determination Date” means each date for calculating LIBOR for purposes of determining the interest rate in respect of an Interest Period. The Interest Rate Determination Date shall be the second Business Day prior to the first day of the related Interest Period for a LIBOR Advance.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“**Investment**” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“**Letter of Credit**” means a standby letter of credit issued by Bank or another institution based upon an application, guarantee, indemnity or similar agreement on the part of Bank as set forth in Section 2.2.2.

“**Letter of Credit Application**” is defined in Section 2.2.2(b).

“**Letter of Credit Reserve**” is defined in Section 2.2.2(e).

“**LIBOR**” means, for any Interest Rate Determination Date with respect to an Interest Period for any Advance to be made, continued as or converted into a LIBOR Advance, the greater of (i) zero percent (0.00%) or (ii) the rate of interest per annum determined by Bank to be the per annum rate of interest at which deposits in Dollars are offered to Bank in the London interbank market (rounded upward, if necessary, to the nearest 0.0001%) in which Bank customarily participates at 11:00 a.m. (local time in such interbank market) two (2) Business Days prior to the first day of such Interest Period for a period approximately equal to such Interest Period and in an amount approximately equal to the amount of such Advance.

“**LIBOR Advance**” means an Advance that bears interest based at the LIBOR Rate.

“**LIBOR Rate**” means, for each Interest Period in respect of LIBOR Advances comprising part of the same Advances, an interest rate *per annum* (rounded upward, if necessary, to the nearest 0.0001%) equal to LIBOR for such Interest Period *divided by* one (1) *minus* the Reserve Requirement for such Interest Period.

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Liquidity**” is, at any time, the sum of (a) the aggregate amount of unrestricted cash and Cash Equivalents either (i) held at such time by the Credit Parties in Deposit Accounts or Securities Accounts maintained with Bank or its Affiliates or (ii) subject to a Control Agreement in favor of Bank plus (b) the Availability Amount.

“**Loan Documents**” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, the Guaranty, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by any Credit Party, and any other present or future agreement by any Credit Party with or for the benefit of Bank, in each case, in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

“**Net Income**” means, as calculated on a consolidated basis for Holdings and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Holdings and its Subsidiaries for such period taken as a single accounting period.

“**Notice of Borrowing**” means a notice given by Borrower to Bank in accordance with Section 3.4(a), substantially in the form of Exhibit B, with appropriate insertions.

“**Notice of Conversion/Continuation**” means a notice given by Borrower to Bank in accordance with Section 3.5, substantially in the form of Exhibit C, with appropriate insertions.

“**Obligations**” are any Credit Party’s obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts any Credit Party owes Bank now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of any Credit Party assigned to Bank, and to perform any Credit Party’s duties under the Loan Documents.

“Operating Documents” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“Overadvance” is defined in Section 2.3.

“Parent” is defined in Section 3.7(b).

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Perfection Certificate” is defined in Section 5.1.

“Permitted Acquisition” means a purchase or other acquisition by any Credit Party or any Subsidiary thereof of the capital stock in a Person that, upon the consummation thereof, will be a Subsidiary (including as a result of a merger or consolidation) or all or substantially all of the assets of, or assets constituting one or more business units of, any Person; provided that, with respect to each such purchase or other acquisition:

(a) the newly-created or acquired Subsidiary (or assets acquired in connection with such asset sale) shall be (x) in the same or a related line of business as that conducted by Borrower on the Closing Date, or (y) in a business that is ancillary to and in furtherance of the line of business as that conducted by Borrower on the date hereof;

(b) all transactions related to such purchase or acquisition shall be consummated in all material respects in accordance with all Requirements of Law;

(c) no Credit Party shall, as a result of or in connection with any such purchase or acquisition, assume or incur any direct or contingent liabilities (whether relating to environmental, tax, litigation or other matters) that, as of the date of such purchase or acquisition, could reasonably be expected to result in the existence or incurrence of a material adverse effect on Borrower’s business;

(d) Borrower shall give Bank at least ten (10) Business Days’ prior written notice of any such purchase or acquisition;

(e) Borrower shall provide to Bank as soon as available but in any event not later than five (5) Business Days after the execution thereof, a copy of any executed purchase agreement or similar agreement with respect to any such purchase or acquisition;

(f) any such newly-created or acquired wholly-owned Domestic Subsidiary, or the Credit Party that is the acquirer of assets in connection with an asset acquisition, shall comply with the requirements of Section 6.11;

(g) Liquidity shall equal or exceed \$20,000,000 as of the date the definitive agreements relating to any such acquisition or other purchase are executed (after giving effect, on a *pro forma* basis, to the consummation of such acquisition or other purchase);

(h) (x) immediately before and immediately after giving effect to any such purchase or other acquisition, no Default or Event of Default shall have occurred and be continuing and (y) immediately after giving effect to such purchase or other acquisition, Holdings and its Subsidiaries shall be in compliance with each of the applicable financial covenants set forth in Section 6.7 (to the extent the financial covenants are currently required to be tested thereunder) based upon financial statements delivered most recently delivered to Bank pursuant to Section 6.2(a) or (d), which give effect, on a *pro forma* basis, to such acquisition or other purchase;

(i) no Indebtedness is assumed or incurred in connection with any such purchase or acquisition other than Permitted Indebtedness;

(j) such purchase or acquisition shall not constitute an Unfriendly Acquisition;

(k) each such Permitted Acquisition of a Person shall be of a Person organized under the laws of the United States and engaged in business activities primarily conducted within the United States; and

(l) Borrower shall have delivered to Bank, at least five Business Days prior to the date on which any such purchase or other acquisition is to be consummated (or such later date as is agreed by Bank in its sole discretion), a certificate of a Responsible Officer, in form and substance reasonably satisfactory to Bank, certifying that all of the requirements set forth in this definition have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition.

“Permitted Indebtedness” is:

(a) all Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of “Permitted Liens” hereunder;

(g) Indebtedness in connection with the issuance of surety bonds, performance bonds, cash collateralized letters of credit and similar obligations incurred in the ordinary course of business;

(h) Indebtedness incurred pursuant to Bank Services Agreements or FX Contracts with Bank or any Bank Affiliate;

(i) Indebtedness with respect to capital leases and purchase money Indebtedness in an aggregate outstanding amount not to exceed at any time (i) with respect to such Indebtedness incurred by the Credit Parties pursuant to an equipment financing facility with EPlus, Three Million Dollars (\$3,000,000) and (ii) with respect to all other such Indebtedness, Two Hundred Thousand Dollars (\$200,000);

(j) Indebtedness of Holdings or any of its Subsidiaries owing to Holdings or any of its Subsidiaries, including any guaranties by Holdings or any of its Subsidiaries of Indebtedness of Holdings or any of its Subsidiaries, in each case, to the extent permitted as an Investment hereunder pursuant to clause (h) of the definition of “Permitted Investments”;

(k) other Indebtedness not otherwise permitted by Section 7.4 not exceeding Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate outstanding at any time; and

(l) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (g) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“Permitted Investments” are:

- (a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;
- (b) Investments consisting of Cash Equivalents;
- (c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;
- (d) Investments consisting of deposit accounts in which Bank has a perfected security interest;
- (e) Investments accepted in connection with Transfers permitted by Section 7.1;
- (f) Investments consisting of the creation of a Subsidiary for the purpose of consummating a merger transaction permitted by Section 7.3 of this Agreement, which is otherwise a Permitted Investment;
- (g) Permitted Acquisitions;
- (h) (i) Investments by any Credit Party or any Subsidiary thereof in any Credit Party and (ii) Investments by any Credit Party in Subsidiaries of Holdings that are not Credit Parties or by Subsidiaries that are not Credit Parties in other Subsidiaries that are not Credit Parties in an amount (for this clause (ii)) not to exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate in any fiscal year;
- (i) Investments consisting of Transfers permitted pursuant to Section 7.1 of this Agreement;
- (j) Investments consisting of accounts receivable arising and trade credit granted in the ordinary course of business;
- (k) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Holdings or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower’s Board of Directors;
- (l) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;
- (m) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (k) shall not apply to Investments of Holdings in any Subsidiary; and
- (n) other Investments not otherwise permitted by Section 7.7 not exceeding Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate outstanding at any time.

“Permitted Liens” are:

- (a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) Liens (i) securing Indebtedness permitted pursuant to clause (i) of the definition of "Permitted Indebtedness" hereunder, and (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(h) non-exclusive license of Intellectual Property granted to third parties in the ordinary course of business;

(i) deposits to secure the performance of bids, trade contracts (other than Indebtedness) and leases, statutory obligations, surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(j) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7; and

(k) Liens in favor of other financial institutions arising in connection with any Credit Party's deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts to the extent required by this Agreement.

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Prime Rate" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors).

“Prime Rate Advance” means an Advance that bears interest based at the Prime Rate.

“Quarterly Financial Statements” is defined in Section 6.2(a).

“Quick Assets” is, on any date, the sum of (i) the Credit Parties’ consolidated, unrestricted cash and Cash Equivalents, plus (ii) net billed accounts receivable.

“Registered Organization” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“Regulatory Change” means, with respect to Bank, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, including Regulation D, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Bank, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

“Requirement of Law” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Reserve Requirement” means, for any Interest Period, the average maximum rate at which reserves (including any marginal, supplemental, or emergency reserves) are required to be maintained during such Interest Period under Regulation D against “Eurocurrency liabilities” (as such term is used in Regulation D) by member banks of the Federal Reserve System. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by Bank by reason of any Regulatory Change against (a) any category of liabilities which includes deposits by reference to which the LIBOR Rate is to be determined as provided in the definition of LIBOR or (b) any category of extensions of credit or other assets which include Advances.

“Responsible Officer” is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

“Restricted License” is any material license or other agreement with respect to which a Credit Party is the licensee (a) that prohibits or otherwise restricts such Credit Party from granting a security interest in such Credit Party’s interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank’s right to sell any Collateral.

“Revolving Line” is an aggregate principal amount equal to Twenty Five Million Dollars (\$25,000,000).

“Revolving Line Maturity Date” is May 4, 2020.

“SEC” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“Securities Account” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

“Subordinated Debt” is Indebtedness incurred by any Credit Party subordinated to all of such Credit Party’s now or hereafter Indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms reasonably acceptable to Bank.

“Subsidiary” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

“**Total Liabilities**” is on any day, obligations that should, under GAAP, be classified as liabilities on Holdings’ consolidated balance sheet, including all Indebtedness.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**Transfer**” is defined in Section 7.1.

“**Unfriendly Acquisition**” means any acquisition that has not, at the time of the first public announcement of an offer relating thereto, been approved and recommended by the board of directors (or other legally recognized governing body) of the Person to be acquired.

“**Unused Revolving Line Facility Fee**” is defined in Section 2.5(b).

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

TENABLE NETWORK SECURITY, INC.

By /s/ Stephen Vintz
Name: Steve Vintz
Title: Chief Financial Officer

BANK:

SILICON VALLEY BANK

By /s/ Will Deevy
Name: Will Deevy
Title: Vice President

[Signature page to Loan and Security Agreement]

EXHIBIT A – COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (a) any Excluded Assets and (b) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

EXHIBIT B

FORM OF NOTICE OF BORROWING

TENABLE NETWORK SECURITY, INC.

Date:

To: Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054
Attention: CFD Operations
Email: CFDOperations@svb.com

RE: Loan and Security Agreement dated as of May __, 2017 (as amended, modified, supplemented or restated from time to time, the "Loan Agreement"), by and between Tenable Network Security, Inc. ("Borrower"), and Silicon Valley Bank (the "Bank")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein and used herein as so defined, and hereby gives you notice irrevocably, pursuant to Section 3.4(a) of the Loan Agreement, of the borrowing of an Advance.

1. The Funding Date, which shall be a Business Day, of the requested borrowing is _____.¹
2. The aggregate amount of the requested Advance is \$_____.
3. The requested Advance shall consist of \$_____ of Prime Rate Advances and \$_____ of LIBOR Advances.
4. The duration of the Interest Period for the LIBOR Advances included in the requested Advance shall be _____ months.

5. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Advance before and after giving effect thereto, and to the application of the proceeds therefrom, as applicable:

(a) all representations and warranties of Borrower contained in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(b) no Event of Default has occurred and is continuing, or would result from such proposed Advance; and

(c) the requested Advance will not cause the aggregate principal amount of the outstanding Advances to exceed, as of the designated Funding Date, the Availability Amount.

¹ Advance requests for LIBOR Advances must be submitted by 12:00 pm Eastern time at least three (3) Business Days prior to Funding Date. Advance requests for Prime Rate Advances must be submitted by 12:00 pm Eastern time on the Funding Date.

6. In the event that before or after giving effect to the requested Credit Extension, the aggregate outstanding amount of all Credit Extensions exceeds Five Million Dollars (\$5,000,000), attached hereto is evidence of compliance with the financial covenants set forth in Section 6.7 hereof on a pro forma basis giving effect to such Credit Extension.

BORROWER

TENABLE NETWORK SECURITY, INC.

By: _____
Name: _____
Title: _____

For internal Bank use only

LIBOR Pricing Date	LIBOR	LIBOR Variance	Maturity Date
		%	

EXHIBIT C

FORM OF NOTICE OF CONVERSION/CONTINUATION

TENABLE NETWORK SECURITY, INC.

Date:

To: Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054
Attention: CFD Operations
Email: CFDOperations@svb.com

RE: Loan and Security Agreement dated as of May __, 2017 (as amended, modified, supplemented or restated from time to time, the "*Loan Agreement*"), by and between Tenable Network Security, Inc. ("*Borrower*"), and Silicon Valley Bank (the "*Bank*")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 3.5 of the Loan Agreement, of the [conversion] [continuation] of the Advances specified herein, that:

1. The date of the [conversion] [continuation] is _____, 20____.
2. The aggregate amount of the proposed Advances to be [converted] is \$_____ or [continued] is \$_____.
3. The Advances are to be [converted into] [continued as] [LIBOR] [Prime Rate] Advances.
4. The duration of the Interest Period for the LIBOR Advances included in the [conversion] [continuation] shall be ____ months.

The undersigned, on behalf of Borrower, hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed [conversion] [continuation], before and after giving effect thereto and to the application of the proceeds therefrom:

(a) all representations and warranties of Borrower stated in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(b) no Event of Default has occurred and is continuing, or would result from such proposed [conversion] [continuation]; and

(c) the requested [conversion] [continuation] will not cause the aggregate principal amount of the outstanding Advances to exceed, as of the designated Funding Date, (i) the Revolving Line minus (ii) the aggregate outstanding principal amount of any Advances.

BORROWER

TENABLE NETWORK SECURITY, INC.

By: _____
Name: _____
Title: _____

For internal Bank use only

LIBOR Pricing Date	LIBOR	LIBOR Variance %	Maturity Date
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EXHIBIT D

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: TENABLE NETWORK SECURITY, INC.

Date:

The undersigned authorized officer of Tenable Network Security, Inc. ("Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"):

(1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each other Credit Party, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

<u>Reporting Covenants</u>	<u>Required</u>	<u>Complies</u>
Quarterly financial statements with Compliance Certificate	Quarterly within 45 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 150 days	Yes No
10-Q, 10-K and 8-K	Within 5 Business Days after filing with SEC	Yes No
Financial Projections	FYE within 90 days	Yes No

The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state "None")

<u>Financial Covenants</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>
Maintain on a Quarterly Basis when the aggregate outstanding amount of all Credit Extensions exceed \$5,000,000:			
Minimum Adjusted Quick Ratio	1.25:1.00	:1.0	Yes No
Minimum EBITDA	*	\$	Yes No

*SeeSection 6.7(b)

The following financial covenant analyses and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

Other Matters

Have there been any amendments of or other changes to the capitalization table of Holdings and to the Operating Documents of Holdings or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate. Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

TENABLE NETWORK SECURITY, INC.

BANK USE ONLY

By: _____

Received by: _____

Name: _____

AUTHORIZED SIGNER

Title: _____

Date: _____

Verified: _____

AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

I. Adjusted Quick Ratio (Section 6.7(a))

Required: 1.25:1.00

Actual:

A.	Quick Assets	\$
B.	Current Liabilities	\$
C.	Current portion of all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue	\$
D.	Line B minus line C	\$
E.	Adjusted Quick Ratio (line A divided by line D)	

Is line E equal to or greater than 1.25:1:00?

No, not in compliance

Yes, in compliance

II. **EBITDA** (trailing four quarters) (Section 6.7(b))

A. Net Income	\$
B. To the extent included in the determination of Net Income	
1. The provision for income taxes	\$
2. Depreciation expense	\$
3. Amortization expense	\$
4. Net Interest Expense	\$
5. Stock compensation expense	\$
6. All non-cash income	\$
7. The sum of lines 1 through 5 minus line 6	\$
C. Change in Deferred Revenue from the prior period	\$
D. 1st quarter EBITDA (Line A plus line B.7 plus line C)	\$
E. Net Income	\$
F. To the extent included in the determination of Net Income	
1. The provision for income taxes	\$
2. Depreciation expense	\$
3. Amortization expense	\$
4. Net Interest Expense	\$
5. Stock compensation expense	\$
6. All non-cash income	\$
7. The sum of lines 1 through 5 minus line 6	\$
G. Change in Deferred Revenue from the prior period	\$
H. 2nd quarter EBITDA (Line E plus line F.7 plus line G)	\$
I. Net Income	\$
J. To the extent included in the determination of Net Income	

1.	The provision for income taxes	\$
2.	Depreciation expense	\$
3.	Amortization expense	\$
4.	Net Interest Expense	\$
5.	Stock compensation expense	\$
6.	All non-cash income	\$
7.	The sum of lines 1 through 5 minus line 6	\$
K.	Change in Deferred Revenue from the prior period	\$
L.	3rd quarter EBITDA (Line I plus line J.7 plus line K)	\$
M.	Net Income	\$
N.	To the extent included in the determination of Net Income	
1.	The provision for income taxes	\$
2.	Depreciation expense	\$
3.	Amortization expense	\$
4.	Net Interest Expense	\$
5.	Stock compensation expense	\$
6.	All non-cash income	\$
7.	The sum of lines 1 through 5 minus line 6	\$
O.	Change in Deferred Revenue from the prior period	\$
P.	4 th quarter EBITDA (Line M plus line N.7 plus line O)	\$
Q.	Trailing four quarters EBITDA (line D plus line H plus line L plus line P)	\$

Is line Q equal to or greater than \$?

No, not in compliance

Yes, in compliance