

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2014

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 001-35580

servicenow

SERVICENOW, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2056195
(I.R.S. Employer
Identification Number)

ServiceNow, Inc.
3260 Jay Street
Santa Clara, California 95054
(408) 501-8550

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

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

Title of each class
Common stock, par value \$0.001 per share

Name of each exchange on which registered
New York Stock Exchange, Inc.

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

Not applicable

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

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Based on the closing price of the Registrant's Common Stock on the last business day of the Registrant's most recently completed second fiscal quarter, which was June 30, 2014, the aggregate market value of its shares (based on a closing price of \$61.96 per share on June 30, 2014 as reported on the New York Stock Exchange) held by non-affiliates was approximately \$5.9 billion.

As of January 31, 2015, there were approximately 150.5 million shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for its 2015 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed within 120 days of the Registrant's fiscal year ended December 31, 2014, are incorporated by reference in Part III of this Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

TABLE OF CONTENTS

		<u>Page</u>
	<u>PART I</u>	
Item 1	<u>Business</u>	<u>1</u>
Item 1A	<u>Risk Factors</u>	<u>8</u>
Item 1B	<u>Unresolved Staff Comments</u>	<u>25</u>
Item 2	<u>Properties</u>	<u>25</u>
Item 3	<u>Legal Proceedings</u>	<u>25</u>
Item 4	<u>Mine Safety Disclosures</u>	<u>25</u>
	<u>PART II</u>	
Item 5	<u>Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>26</u>
Item 6	<u>Selected Consolidated Financial Data</u>	<u>28</u>
Item 7	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>30</u>
Item 7A	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>50</u>
Item 8	<u>Consolidated Financial Statements and Supplementary Data</u>	<u>51</u>
Item 9	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>81</u>
Item 9A	<u>Controls and Procedures</u>	<u>82</u>
Item 9B	<u>Other Information</u>	<u>82</u>
	<u>PART III</u>	
Item 10	<u>Directors, Executive Officers and Corporate Governance</u>	<u>82</u>
Item 11	<u>Executive Compensation</u>	<u>83</u>
Item 12	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>83</u>
Item 13	<u>Certain Relationships and Related Party Transactions and Director Independence</u>	<u>83</u>
Item 14	<u>Principal Accounting Fees and Services</u>	<u>83</u>
	<u>PART IV</u>	
Item 15	<u>Exhibits and Financial Statement Schedules</u>	<u>83</u>
	<u>Signatures</u>	<u>83</u>
	Index to Exhibits	

PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are based on our current expectations, estimates, forecasts, and projections about our business, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. Words such as "believe," "may," "will," "estimate," "continue," "anticipate," "would," "could," "should," "intend" and "expect," variations of these words, and similar expressions are intended to identify those forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Report under the section entitled "Risk Factors" in Item 1A of Part I and elsewhere herein, and in other reports we file with the Securities and Exchange Commission (SEC). While forward-looking statements are based on the reasonable expectations of our management at the time that they are made, you should not rely on them. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as may be required by law.

ITEM 1. BUSINESS

Overview

ServiceNow is a leading provider of cloud-based solutions that define, structure, manage and automate services across the global enterprise. By applying a service-oriented lens to the activities, tasks and processes that comprise day-to-day work life, we help the modern enterprise operate faster and be more scalable than ever before.

Services are any of the varied and frequent transactions across an enterprise between a requester and a provider, such as: a request for a new cell phone; asking about employer benefits; a request to on-board a new employee; reporting a facilities or information technology (IT) problem; or provisioning a new server or application. These transactions can be internal to the enterprise or with outside parties such as customers, suppliers or partners.

Typically, many of these interactions are through email, phone or voicemail and are not systematically tracked or are tracked in spreadsheets or other disparate databases. This lack of a single, structured and persistent system to manage all enterprise services reduces efficiencies and limits scalability. For example, when services are delivered through email, providers generally have no systematic view into what causes requests and how to reduce or eliminate them. In addition, the enterprise often gains little insight into team workloads, service quality or how departments are faring against service level agreements. Further, the lack of a single system to manage services within the enterprise can create a fragmentation of tools and databases that is difficult and expensive to manage, leads to poor communication between departments, and hinders or prevents compliance with reporting and other regulatory obligations.

To address these issues, the IT industry has developed a standard framework to define and automate IT services. Among its attributes, this model helps enterprises define and structure services and workflows, provide an intuitive user experience and knowledge base, implement service delivery, establish service level agreements and provide analytics. This service model improves IT service quality, efficiency and scalability and is a best practice that can be applied to other departments throughout the enterprise.

In 2004, ServiceNow pioneered the cloud-based delivery of this IT service management model. Today, we provide cloud-based service management solutions that address the needs of many departments within an organization including IT, human resources (HR), facilities, field service, marketing, legal and finance. Our service management solutions are built on our proprietary service automation platform that also allows customers to easily create, by themselves or with our partners, their own service-oriented applications for use in departments across the enterprise. Our solutions, and the custom solutions built by customers and partners, are empowering enterprises to change the way people work.

We also provide business management and IT operations management solutions that facilitate the delivery of services across the enterprise by increasing visibility, simplifying compliance, improving end-to-end supplier accountability, managing costs and integrating automated workflows.

Our software applications are delivered via the Internet, or "cloud", through an easy-to-use, consumer-like interface, which means they can be rapidly deployed and easily configured.

We market our services to enterprises in a wide variety of industries, including financial services, consumer products, IT services, health care and technology. We sell our solutions primarily through direct sales and to a lesser extent through indirect channel sales. We also provide a portfolio of comprehensive professional services to customers through our professional services experts and a network of partners.

We were incorporated as Glidesoft, Inc. in California in June 2004 and changed our name to Service-now.com in February 2006. In May 2012, we reincorporated into Delaware as ServiceNow, Inc.

Key Business Benefits

Key customer benefits of our services include:

- **Automation.** Implementing work through standardized and automated workflows can improve the speed and accuracy of service delivery within the enterprise and increase the amount of work completed.
- **Extensibility and scalability.** A common data model and ease of customization and development enable customers to leverage their existing ServiceNow implementations to expand into additional service management applications and functionality across the enterprise.
- **Speed and ease of implementation.** A comprehensive set of feature-rich service management applications delivered via the cloud enable rapid and cost-effective implementation of solutions.
- **Governance and compliance.** The consolidation of previously disparate applications enables integrated auditing, governance, transparency and reporting. Powerful reporting features deliver visibility into key costs and service performance, including access to key performance indicators (KPIs), benchmarking and executive dashboards.
- **User satisfaction.** A mobile-enabled, consumerized storefront, with personalized dashboards and reporting, embedded user self-help and collaboration features, increases user satisfaction and use of service management applications.
- **Reduced infrastructure requirements.** We provide and support an infrastructure designed for high-availability and security and which enables us to simplify the installation and management of software updates.
- **Expertise.** We provide access to highly skilled professional services, training, technical support, and dedicated peer support engagement programs, including annual user conferences, local user groups, special interest groups, online forums and blogs, collaboration and knowledge sharing for end users, partners and application developers.

Our Strategy

ServiceNow is changing the way people work by removing dependencies on inefficient manual processes to manage the flow of work within the corporate environment. Our goal is to be the recognized leader of cloud-based solutions to automate service management across the enterprise. Key elements of our growth strategy include:

Expand our customer base. We believe the global market for next-generation service management is underserved, and we will continue to make investments to capture market share. To expand our customer base, we will invest in our direct sales force and strategic resellers as well as our infrastructure and capacity, including our data center footprint.

Further penetrate our existing customer base. We intend to increase the number of subscription licenses purchased by our current customers as they expand their use of the ServiceNow solution and deploy additional purchased and custom-built applications to manage more services across the enterprise.

Expand internationally. We have eight paired data centers on five continents. We are investing in new geographies, including investment in direct and indirect sales channels, data centers, professional services, customer support and implementation partners. We also plan to increase investment in our existing international locations in order to achieve scale efficiencies in our sales and marketing efforts.

Continue to innovate and enhance our service offerings. We have made, and will continue to make, significant investments in research and development to strengthen our existing applications, expand the number of applications on our platform and develop additional automation technologies. We typically offer multiple upgrades each year that allow our customers to benefit from ongoing innovation.

Strengthen our customer community. Our customer community contributes to our success through their willingness to share their ServiceNow experiences with other potential customers. To support our customer community and encourage collaboration, we host our annual user conference, Knowledge. Also, our ServiceNow Community and Share websites provide an online forum for customers, partners and ServiceNow employees to interact and collaborate, as well as share custom applications and other ServiceNow platform content. We will continue to leverage our customer community to expose our existing customers to new use cases and increase awareness of our service management solutions.

Develop our partner ecosystem. We intend to further develop our existing partner ecosystem by establishing agreements with strategic resellers, system integrators, global service providers and independent software vendors to provide broader customer coverage, access to senior executives and solution delivery capabilities, as well as extending the breadth of application coverage through complementary partner offerings.

Further promote our extensible platform. Our platform is currently being used by customers to address the needs of various departments within an organization, including IT, HR, facilities, field service, marketing, legal and finance organizations. We plan to continue to enhance our platform to enable the creation of business applications.

Our Cloud Solutions

Service Management

Our service management solutions help enterprises define services, provide an intuitive service experience, deliver services to requesters, assure service availability and analyze critical service metrics. Although, we provide applications specific to IT, HR, facilities and field services, our service management solutions are also utilized by marketing, legal and finance departments looking to manage services in the contemporary workplace. Each of these solutions includes the foundational capabilities of Incident Management, Problem Management, Change Management, Request Management and Cost Management. Service Catalog and Knowledge Base are other capabilities included within our service management solutions that allow organizations to offer easy-to-use solutions that offer a user experience more consistent with that of consumer-oriented applications outside of the enterprise. Employees can now use a single system of engagement to request services such as benefit information from HR, collateral from marketing, contract reviews from legal or purchase orders from finance.

IT Service Management solutions give IT managers and administrators end-to-end visibility into processes and infrastructure through a single system of record for IT. This enables IT to consolidate and automate service management processes, increase efficiency, lower costs and devote more time to creating and delivering the consumer-like experiences that users expect.

HR Service Management solutions help HR professionals focus their resources on strategic priorities. Using ServiceNow, HR can create a system of engagement for the enterprise that complements existing HR applications.

Facilities Service Management solutions help facilities teams reduce the burden of reactive, day-to-day operations and increase productivity, optimize resource utilization, reduce costs and align services with company priorities.

Field Service Management solutions ensure that work orders are assigned to the right person, with the right inventory and tools, at the right time. Companies can replace spreadsheets, email and homegrown management tools with a single system of engagement that delivers efficient, fast and effective services.

IT Operations Management

Our IT Operations Management solutions consolidate resource data, including virtualized and cloud infrastructure environment data, into a single system of record. This enables IT to see how resources are performing at all times, automate key processes and take a business-centric approach to service mapping, delivery and assurance.

Service Mapping solutions, including ServiceWatch and Discovery, inspect and discover services in operation and map their relationships and dependencies across the technology infrastructure to ensure that IT has visibility into impact that changes in the infrastructure could have on those services.

Service Delivery solutions, including Orchestration, Configuration Automation, Configuration Management, and Cloud Provisioning, speed up and automate the delivery of infrastructure and services for the business.

Service Assurance solutions, including Event Management, combine the capabilities of event management with analytics to assure business service performance and availability.

Business Management

Our Business Management solutions help enterprises manage costs, projects, compliance and vendors. Our solutions consolidate business data into a single system of record, enabling enterprises to more effectively align investments, utilize resources, automate management of projects, ensure regulatory compliance and manage business relationships.

Financial Management provides a way for IT to gain insight into spending by mapping actual costs to consumption or usage across business services, applications, projects and infrastructure. It allows chief information officers (CIOs) to ensure IT costs are correctly aligned to business goals.

Project Portfolio Suite provides the capabilities to plan, organize and manage projects, including associated tasks and resources. Demand Management centralizes strategic requests from the business and streamlines the investment decision process for new products and services. Software Development Lifecycle provides the capabilities to manage the software development and maintenance process, from product inception to deployment.

Governance, Risk and Compliance (GRC) provides clarity into compliance and audit initiatives, helps companies mitigate compliance exposure, and automates the work of organizations rising to the challenge of complex regulatory environments.

Vendor Performance Management helps customers manage, evaluate and compare vendors based on predefined criteria.

Performance Analytics helps improve services and processes across the enterprise by providing actionable insights on a daily basis.

Application Development

ServiceNow's CreateNow Development Suite reduces the complexities and inefficiencies of developing applications for service management. Using our pre-built templates optimized for service management applications, departments across the enterprise, such as legal, marketing, HR and finance, can quickly build, test and publish customer-specific service management applications such as request processing, events management and rebate processing.

Comprehensive Services

We offer a portfolio of comprehensive services that help ensure customer success. These offerings include Professional Services, Education Services and Customer Support.

Professional Services. Through an ecosystem of ServiceNow and partner resources, we provide professional services that advise and assist customers with implementation and drive value realization of the ServiceNow platform.

Education Services. We offer extensive training services and a certification program for different levels of ServiceNow expertise. Our training portfolio is customized for various skill levels and individual schedules.

Customer Support. Customers receive free support 24 hours a day, seven days a week, from technical resources located in Orlando, San Diego and Santa Clara in the United States, as well as internationally in Amsterdam, London, and Sydney. We also offer self-service technical support through our support portal, which provides access to documentation, knowledge base, online support forums and online incident filing.

Our Technology

We designed our cloud-based service to support global enterprises. The architecture, design, deployment and management of our services are focused on:

Scalability. Our services are designed to support concurrent user sessions within a global enterprise. We process billions of record-producing transactions per month and manage multiple petabytes of data across our customer base while optimizing transaction processing time.

Availability. Our customers are highly dependent on our services for the day-to-day operations of their IT infrastructure. Our services are designed as an “always on” solution.

Security and Compliance. We employ a number of technologies, policies and procedures designed to protect customer data. We offer services that have received SSAE 16 (SOC 1 Type 1 and Type 2), SOC 2 and ISO 27001 third-party attestation. Our U.S. federal services have received a FISMA Moderate Authorization (ATO) attestation that can be used by our U.S. federal customer base. Additionally, our data center providers have received an ISO27001 or SSAE 16 attestation or equivalent.

We have a standardized Java-based development environment with the majority of our software written in industry standard software programming languages. We also use Web2.0 technologies like HTTPS and XML that give users an intuitive and familiar experience. Our infrastructure primarily consists of industry standard servers and network components. Our standard operating system and database are Linux and MySQL, respectively. The system is also highly portable and has been deployed across multiple environments including Microsoft Windows and Oracle databases.

Unlike many cloud vendors where most customers run on shared infrastructure servers and databases, we operate a unique architecture that provides each customer with their own dedicated application and database processes. This reduces the risk associated with infrastructure outages, improves system scalability and security, and allows for flexibility in deployment location and version upgrading. We are also investing in enhancements to our cloud infrastructure, which are designed to provide all our customers with increased data reliability and availability.

For an increased subscription fee, we offer our customers the option to be deployed on dedicated hardware in our data centers. In limited circumstances, we grant certain customers the right to deploy our subscription service on the customers' own servers. Our architecture gives us the added flexibility to deploy our service on-premises at a customer data center in order to support regulatory or security requirements. When our software is installed on-premises, we define the hardware requirements that the customers must install and manage. We then work with the customers to remotely install the service and provide ongoing customer support similar to the way we support customer instances deployed in our own managed data centers.

Sales and Marketing

We sell our services primarily through our global direct sales organization. We also sell our services indirectly through third- party channels by partnering with systems integrators, managed services providers and resale partners, particularly in less developed markets. In the past year, we made significant investments in direct sales in many markets outside of the United States, and we intend to continue to invest in our direct sales force globally.

Our marketing efforts and lead generation activities consist primarily of customer referrals, Internet advertising, trade shows, industry events and press releases. We also host our annual Knowledge global user conference, and webinars where customers and partners both participate in and present a variety of programs designed to help accelerate marketing success with our services and platform.

We are investing in new geographies, including investment in direct and indirect sales channels, professional services capabilities, customer support resources and implementation partners. In addition to adding new geographies, we also plan to increase our investment in our existing locations in order to achieve scale efficiencies in our sales and marketing efforts.

Customers

We primarily market our services to large enterprise customers. We have proven scalability supporting large enterprise-wide deployments. As of December 31, 2014, we had 2,725 customers, including more than 25% of the Global 2000, an annual ranking of the top 2000 public companies in the world by Forbes magazine. Our customers operate in a wide variety of industries, including financial services, consumer products, IT services, health care and technology. No single customer accounted for more than 10% of our revenue for any of the periods presented.

Backlog

Backlog represents future amounts to be invoiced under our existing agreements and is not included in deferred revenue. As of December 31, 2014 and 2013, we had backlog of approximately \$956 million and \$608 million, respectively. We expect backlog will change from period to period for several reasons, including the timing and duration of customer subscription and professional services agreements, varying billing cycles of subscription agreements, and the timing of customer renewals.

Financial Information about Segments and Geographic Areas

We manage our operations and allocate resources as a single reporting segment. For information regarding our revenue, revenue by geographic area and long-lived assets by geographic area, please refer to Note 2 and Note 19 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. For financial information about our segment, please refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II and to our consolidated financial statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K. For information regarding risks associated with our international operations, please refer to the section entitled "Risk Factors" in Item 1A of Part I in this Annual Report on Form 10-K.

Data Center Operations

We currently run our services from data centers located in Australia, Brazil, Canada, Hong Kong, the Netherlands, Singapore, Switzerland, the United Kingdom, and the United States. Our data centers operate in a mirrored configuration to provide high availability. We plan to add data centers, or expand our existing data center operations, as required to meet regulatory requirements and accommodate growth.

Research and Development

Our research and development organization is responsible for the design, development, testing and certification of our software solutions. We focus on developing new services and core technologies and further enhancing the functionality, reliability, performance and flexibility of existing solutions. We focus our efforts on anticipating customer demand and then bringing new services and new versions of existing services to market quickly in order to remain competitive in the marketplace. We have made, and will continue to make, significant investments in research and development to strengthen our existing applications, expand the number of applications on our platform and develop additional automation technologies. Total research and development expense was \$148.3 million, \$78.7 million, and \$39.3 million for the years ended in December 31, 2014, 2013 and 2012, respectively.

Competition

The markets in which we compete to manage service across the enterprise are fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry. As the market for service management matures, we expect competition to intensify. We face competition from in-house solutions, large integrated systems vendors, and established and emerging cloud and software vendors. Our competitors vary in size and in the breadth and scope of the products and services offered. Our primary competitors include BMC Software, Inc., CA, Inc., Hewlett-Packard Company and International Business Machines Corporation. Further, other potential competitors not currently offering competitive products may expand their services to compete with our services. Moreover, as we expand the breadth of our services to include offerings for service domains outside of IT, and offerings for small and medium sized businesses, we face and will face additional competition from platform vendors including Salesforce.com and from application development vendors focused on these other markets.

The principal competitive factors in our industry include total cost of ownership, product functionality, breadth of offerings, flexibility and performance. We believe that we compete favorably with our competitors on each of these factors. However, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards and customer requirements. An existing competitor or new entrant could introduce new technology that reduces demand for our services. In addition, some of our competitors offer their products or services at a lower price, which has resulted in pricing pressures. Some of our larger competitors have the operating flexibility to bundle competing products and services with other software offerings, including offering them at a lower price as part of a larger sale.

Intellectual Property

We rely upon a combination of copyright, trade secret and trademark laws and contractual restrictions, such as confidentiality and license agreements, to establish and protect our proprietary rights. In addition, we are seeking patent protection for our technology. We pursue the registration of our domain names and trademarks and service marks in the United States and in certain locations outside the United States.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services that provide features and functionality that are similar to our service offerings. Policing unauthorized use of our technology is difficult. The laws of the countries in which we market our services may offer little or no effective protection of our proprietary technology. Our competitors could also independently develop services equivalent to ours, and our intellectual property rights may not be broad enough for us to prevent competitors from doing so. Reverse engineering, unauthorized copying or other misappropriation of our proprietary technology could enable third parties to benefit from our technology without paying us for it, which would significantly harm our business.

Companies in our industry own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation or other violations of intellectual property or other rights. We currently face, and we expect we will face in the future, allegations that we have infringed the trademarks, copyrights, patents, trade secrets and other intellectual property rights of third parties, including our competitors and non-practicing entities. As we face increasing competition and as our business grows, we will likely face more claims of infringement. For example, on February 6, 2014, Hewlett-Packard Company filed a lawsuit against us in the U.S. District Court for the Northern District of California that alleges that some of our services infringe the claims of eight of Hewlett-Packard's patents. Hewlett-Packard is seeking unspecified damages and an injunction. On September 23, 2014, BMC Software, Inc. filed a lawsuit against us in the U.S. District Court for the Eastern District of Texas that alleges that some of our services willfully infringe the claims of seven of BMC's patents. BMC is seeking unspecified damages and an injunction. For additional information, see the sections entitled "Risk Factors" in Item 1A and "Legal Proceedings" in Item 3 of Part I in this Annual Report.

Employees

As of December 31, 2014, we had 2,826 full-time employees worldwide, including 894 in operations, professional services, training and customer support, 1,011 in sales and marketing, 585 in research and development and 336 in general and administrative roles. None of our U.S. employees is represented by a labor union with respect to his or her employment. Employees in certain European countries have the benefits of collective bargaining arrangements at the national level. We have not experienced any work stoppages and we believe our relations with our employees to be good.

Available Information

You can obtain copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, and all amendments to these filings, free of charge from our website at www.servicenow.com as soon as reasonably practicable following our filing of any of these reports with the SEC. The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The contents of these websites are not incorporated into this filing and our references to the URLs for these websites are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition, results of operations and future prospects. Our business could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. In assessing these risks, you should also refer to the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and related notes.

Risks Related to Our Business and Industry

We expect our revenue growth rate to decline, but we may not accurately predict the rate or magnitude of such decline. Our capacity is largely driven by production factors such as facilities, data centers and a trained workforce that require long term investments and expense commitments which we cannot easily adjust in the short term. As our costs increase, we may not be able to generate sufficient revenue to generate or sustain profitability or positive cash flow from operations.

From the year ended June 30, 2009 to the year ended December 31, 2014, our revenues grew from \$19.3 million to \$682.6 million. We expect that our revenue growth rate will continue to decline into the foreseeable future. We also expect our costs to increase in future periods as we continue to invest in our capacity in order to support anticipated growth. These investments may not result in increased revenues or growth in our business. Even if our revenue continues to increase, we expect to continue to incur a generally accepted accounting principles (GAAP) loss during future periods due to increased costs such as non-cash charges associated with equity awards and business combinations and other expenses. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in increased costs. As a result, we may not be able to achieve or maintain profitability and we may be unable to generate positive cash flow from operations. If we fail to grow our revenues sufficiently to keep pace with our growing investments and other expenses, our operating results will be harmed.

Our quarterly results may fluctuate, and if we fail to meet the expectations of analysts or investors or our previously issued financial guidance, or if any forward-looking financial guidance we give does not meet the expectation of analysts or investors, our stock price could decline substantially.

Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly financial results fall below the expectations of investors or any securities analysts who follow our stock, or we fail to meet or exceed any forward-looking financial guidance we have issued, or if any forward-looking financial guidance we give is below the expectations of investors or any securities analysts who follow our stock, the price of our common stock could decline substantially. Some of the important factors that may cause our revenues, operating results and cash flows to fluctuate from quarter to quarter, or which could impact any forward-looking financial guidance we give for any period, include:

- our ability to retain and increase sales to existing customers, attract new customers and satisfy our customers' requirements;
- the number of new employees added;
- the rate of expansion and productivity of our sales force;
- the cost, timing and management effort for our development of new services;
- the length of the sales cycle for our services;
- changes in our pricing policies, whether initiated by us or as a result of competition;
- the amount and timing of operating costs and capital expenditures related to the operation and expansion of our business;
- significant security breaches, technical difficulties or interruptions of our services;
- new solutions, products or changes in pricing policies introduced by our competitors;
- changes in foreign currency exchange rates;
- changes in effective tax rates;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional subscriptions, delay a prospective customer's purchasing decision, reduce the value of new subscription contracts or affect renewal rates;
- seasonality in terms of when we enter into customer agreements for our services;
- changes in the average duration of our customer agreements;
- changes in our renewal and upsell rates;
- the timing of customer payments and payment defaults by customers;
- extraordinary expenses such as litigation costs or damages, including settlement payments;
- the impact of new accounting pronouncements;
- changes in laws or regulations impacting the delivery of our services; and
- the amount and timing of stock awards and the related financial statement expenses.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our operating results to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenues, operating results and cash flows are not meaningful and should not be relied upon as an indication of future performance.

We face cyber-security risks, including but not limited to, unauthorized use or disclosure of customer data, theft of proprietary information, denial of service attacks, loss or corruption of customer data, and computer hacking attacks. If any of these risks occur, our reputation may be harmed, our services may be perceived as not secure, we may lose prospective customers, existing customers may curtail or stop using our services, our ability to operate our business may be impaired, and we may incur significant liabilities.

Our operations involve the storage, transmission and processing of our customers' confidential, proprietary and sensitive information including in some cases personally identifiable information, protected health information, proprietary intellectual property and credit card and other sensitive financial information. We do not control or monitor the information that customers process in our services, we are unaware of the type, sensitivity and value of the customer information processed in our services and we do not vary our service offering and security measures due to the content of customer data. We have legal and contractual obligations to protect the confidentiality and appropriate use of customer data. Cyber-security risks, including but not limited to, unauthorized use or disclosure of customer data, theft of proprietary information, denial of service attacks, loss or corruption of customer data, and computer hacking attacks could expose us to substantial litigation expenses and damages, indemnity and other contractual obligations, government fines and penalties, mitigation expenses and other liability. Additionally, unauthorized persons may obtain access to our own sensitive, proprietary or confidential information or systems including our intellectual property and other confidential business information and our information technology systems. Such access could be used to compromise our competitive position, our ability to deliver our services or our ability to manage and operate our business. The security measures protecting our customers' and our own information and systems could be breached as a result of third party action, employee error or employee misconduct. Because techniques used to obtain unauthorized access to, or to sabotage systems change frequently and generally are not recognized until successfully launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, we could suffer severe reputational damage adversely affecting customer or investor confidence, the market perception of the effectiveness of our security measures could be harmed, we could lose potential sales and existing customers, our ability to operate our business may be impaired, we may be subject to litigation or regulatory investigations or orders, and we may incur significant liabilities. We do not have insurance sufficient to compensate us for the potentially significant losses that may result from security breaches.

Disruptions in our services could damage our customers' businesses, subject us to substantial liability and harm our reputation and financial results.

Our customers use our services to manage important aspects of their businesses, and any disruptions in our services could damage our customers' businesses, subject us to substantial liability and harm our reputation and financial results. From time to time, we have found defects in our services, and new defects may be detected in the future. We provide regular updates to our services, which frequently contain undetected defects when first introduced or released. Defects may also be introduced by our use of third-party software, including open source software. Disruptions may also result from errors we make in delivering, configuring, or hosting our services, or designing, installing, expanding or maintaining our cloud infrastructure. Disruptions in service can also result from incidents that are outside of our control. We currently serve our customers primarily using equipment managed by us and co-located in third-party data center facilities operated by several different providers located around the world. These centers are vulnerable to damage or interruption from earthquakes, floods, fires, power loss and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, equipment failure and adverse events caused by operator error. We cannot rapidly switch to new data centers or move customers from one data center to another in the event of any adverse event. Despite precautions taken at these facilities, problems at these facilities could result in lengthy interruptions in our services and the loss of customer data. In addition, our customers may use our services in ways that cause disruptions in service for other customers. Our reputation and business will be harmed if our customers and potential customers believe our services are unreliable. Disruptions in our services may reduce our revenues, cause us to issue credits or pay penalties, subject us to claims and litigation, cause our customers to delay payment or terminate or fail to renew their subscriptions, and adversely affect our ability to attract new customers. The occurrence of payment delays, or service credit, warranty, termination for material breach or other claims against us, could result in an increase in our bad debt expense, an increase in collection cycles for accounts receivable, an increase to our warranty provisions or service level credit accruals or other increased expenses or risks of litigation. We do not have insurance sufficient to compensate us for the potentially significant losses that may result from claims arising from disruptions in our services.

We depend on our senior management team and if we lose key employees or are unable to attract and retain the employees we need to support our operations and growth, our business could be harmed.

Our success depends largely upon the continued services of our management team and many key individual contributors. From time to time, there may be changes in our management team resulting from the hiring or departure of employees, which could disrupt our business. Our employees are generally employed on an at-will basis, which means that our employees could terminate their employment with us at any time. The loss of one or more members of our management team or other key employees could have a serious impact on our business. In the technology industry, there is substantial and continuous competition for engineers with high levels of experience in designing, developing and managing software and Internet-related solutions, as well as competition for sales executives and operations personnel. We may not be successful in attracting and retaining qualified personnel. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. In particular, competition for experienced software and cloud-based infrastructure engineers in the San Francisco Bay area, San Diego, Seattle, London and Amsterdam, our primary operating locations, is intense. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed.

If we are not able to enhance our existing service, develop new applications and promote our services for the development of custom applications, our business and operating results could be harmed.

Our ability to attract new customers and increase revenues from existing customers depends on our ability to enhance our services and provide it in a way that is broadly accepted. In particular, we need to continuously modify and enhance our services to keep pace with changes in user expectations, including increased demand for intuitive and attractive user interfaces, Internet software practices, and communication, database, hardware and security technologies. In addition, we must effectively make our services available in additional ways, including on mobile devices. If we are unable to respond in a timely and cost-effective manner to these rapid developments, our services may become less marketable and less competitive or obsolete. Our success also depends on our ability to develop new applications and promote our services for the development of custom applications. We derive a substantial majority of our revenue from subscriptions to our suite of applications for use within IT, and we expect this will continue for the foreseeable future. We are expanding the breadth of our services to include offerings for service domains outside of IT and offerings for small and medium-sized businesses. The success of any enhancement or new application, and the success of our efforts to promote the use of our services for development of custom applications, depends on several factors, including timely completion, adequate quality testing, introduction and market acceptance. Any new service that we develop may not be introduced in a timely or cost-effective manner, may not be priced appropriately, and may not achieve the broad market acceptance necessary to generate significant revenues. For instance, from time to time we have changed the way that we price and package our services, and we anticipate that we will continue to make periodic adjustments to our pricing and packaging in the future, and prospective or existing customers may not accept any new pricing or services packaging we have adopted or may adopt in the future. In addition, sales of new services may erode sales of our existing similar services. If we are unable to enhance our existing service, successfully develop new applications or promote the use of our services for the development of custom applications, our business and operating results could be harmed.

We may not timely and effectively scale and adapt our technology to meet our customers' performance and other requirements.

Our future growth is dependent upon our ability to continue to meet the expanding needs of our customers as their use of our services grows. We expect the number of users and transactions we manage, the amount of data we transfer, process and store, the number of locations from which our services are being accessed, and the number of processes and systems we manage to continue to grow. In the past, a few of our largest customers experienced reduced levels of availability, performance and functionality due to the scale at which they implemented our services. In order to meet the performance and other requirements of our customers, we intend to continue making significant investments to develop and implement new technologies in our services and cloud-based infrastructure operations. These technologies, which include databases, applications and server optimizations, network and hosting strategies, and automation, are often advanced, complex, new and untested. We may not be successful in developing or implementing these technologies. In addition, it takes a significant amount of time to plan, develop and test improvements to our technologies and infrastructure, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. We are also dependent upon open source and other third-party technologies and may be unable to quickly effect changes to such technologies, which may prevent us from rapidly responding to evolving customer requirements. To the extent that we do not effectively scale our services and operations to meet the growing needs of our customers, we may not be able to grow as quickly as we anticipate, our customers may reduce or cancel use of our services, we may be unable to compete effectively and our business and operating results may be harmed.

The markets in which we participate are intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The markets in which we compete to manage services across the enterprise are fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry. As the market for service management matures, we expect competition to intensify. We face competition from in-house solutions, large integrated systems vendors, and established and emerging cloud and software vendors. Our competitors vary in size and in the breadth and scope of the products and services offered. Many of our competitors and potential competitors are larger, have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and greater resources than we do. Our primary competitors include BMC Software, Inc., CA, Inc., Hewlett-Packard Company and International Business Machines Corporation. Further, other potential competitors not currently offering competitive products may expand their services to compete with our services. Moreover, as we expand the breadth of our services to include offerings for service domains outside of IT, and offerings for small and medium sized businesses, we will face additional competition from platform vendors including Salesforce.com, Inc. and from application development vendors focused on these other markets. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards and customer requirements. An existing competitor or new entrant could introduce new technology that reduces demand for our services. In addition to product and technology competition, we face pricing competition. Some of our competitors offer their products or services at a lower price, which has resulted in pricing pressures. Some of our larger competitors have the operating flexibility to bundle competing products and services with other software offerings, including offering them at a lower price as part of a larger sale. For all of these reasons, we may not be able to compete successfully and competition could result in reduced sales, reduced margins, losses or the failure of our services to achieve or maintain market acceptance, any of which could harm our business.

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

We have acquired companies in the past and may evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets in the future. We also may enter into relationships with other businesses to expand our service offerings or our ability to provide services in international locations, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies. An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their technology is not easily adapted to work with ours, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise.

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

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt on terms unfavorable to us or that we are unable to repay;
- incur large charges or substantial liabilities;
- encounter difficulties retaining key employees of the acquired company or integrating diverse technologies, software or business cultures; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or we may be exposed to unknown risks or liabilities. For example, in July 2014 we completed the acquisition of a privately-held company based in Israel, Neebula Systems Ltd., or Neebula. To succeed with this acquisition, we need to successfully retain Neebula's key personnel and implement Neebula's technology on the ServiceNow platform. We may experience difficulties in this integration due to differences in operations, technology and culture between ServiceNow and Neebula, and other challenges associated with operating a business in a geography in which we did not previously have substantial engineering operations and which is currently involved in regional conflicts.

If the market for our technology delivery model develops more slowly than we expect, our growth may slow or stall, and our operating results would be harmed.

Use of cloud-based applications to automate and manage service relationships is at an early stage. We do not know whether the trend of adoption of enterprise cloud-based solutions we have experienced in the past will continue in the future. In particular, many organizations have invested substantial personnel and financial resources to integrate legacy software into their businesses over time, and some have been reluctant or unwilling to migrate to cloud-based solutions. Furthermore, some organizations, particularly large enterprises upon which we are dependent, have been reluctant or unwilling to use cloud-based solutions because they have concerns regarding the risks associated with the security of their data, the physical location of data centers in which their data is stored and processed, and the reliability of the technology delivery model associated with these solutions. It is possible that various governmental jurisdictions around the world in which we compete will adopt laws regarding access to, the processing of, or the location of storage of, data that prevents or imposes prohibitively expensive hurdles for us to provide our cloud-based solutions to enterprises within such jurisdictions. In addition, if either we or other cloud-based providers experience security incidents, loss of customer data, disruptions in delivery or other problems, the market for cloud-based solutions as a whole, including our services, will be negatively impacted. If the adoption of cloud-based solutions does not continue, the market for these solutions may stop developing or may develop more slowly than we expect, either of which would harm our operating results.

Failure to effectively expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our services.

Increasing our customer base and achieving broader market acceptance of our services will depend, to a significant extent, on our ability to effectively expand our sales and marketing operations and activities. We are substantially dependent on our direct sales force to obtain new customers. From December 31, 2013 to December 31, 2014, our sales and marketing organization increased from 615 to 1,011 employees. We plan to continue to expand our direct sales force both domestically and internationally. There is significant competition for direct sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth in the future will depend, in large part, on our success in recruiting, training and retaining a sufficient number of direct sales personnel and we may be unable to hire or retain sufficient numbers of qualified individuals. Further, new hires require significant training and time before they achieve full productivity, particularly in new sales territories and our recent hires and planned hires may not become as productive as quickly as we plan, or at all. Moreover, we do not have significant experience as an organization developing and implementing overseas sales and marketing campaigns, and such campaigns may be expensive and difficult to implement, and we may be unable to attract and retain qualified personnel to conduct such campaigns. Our business will be harmed if our expansion efforts do not generate a significant increase in revenues.

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

We depend on various third parties, such as implementation partners, systems integrators, managed services providers and sales partners in order to grow our business. Our sales efforts have focused on large enterprise customers and there are a limited number of partners with the capacity to provide these customers a significant level of services. In order to continue our growth, we need to recruit these partners and these partners need to devote substantial resources to our solutions. Accordingly, we need to build services, implement partner programs, and provide training and other resources to recruit, retain and enable these partners. Our agreements with partners are typically non-exclusive and do not prohibit them from working with our competitors or from offering competing solutions. Our competitors may be effective in providing incentives to our partners to favor their solutions or otherwise disrupt the relationships we have with our partners. In addition, global economic conditions could harm the businesses of our partners, and it is possible that they may not be able to devote the additional resources we expect to the relationship. If we are unsuccessful in establishing or maintaining our relationships with these third parties, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results would suffer. As we expand the breadth of our services to include offerings for service domains outside of IT, and offerings for small and medium sized businesses, we may need to establish relationships with additional sales and implementation partners. Further, reliance on third parties exposes us to risk of poor performance and failed customer expectations. If a customer is not satisfied with the quality of work performed by a third party, we could incur additional costs to address the situation, the profitability of that work might be impaired, and the customer's dissatisfaction could damage our reputation or ability to obtain additional revenues from that customer or prospective customers.

Our business depends substantially on our existing customers purchasing additional subscriptions from us, and renewing their subscriptions upon expiration of the subscription term. Any decline in customer additional purchases or renewals would harm our operating results.

In order for us to maintain or improve our operating results, it is important that our existing customers expand their use of our service by adding new users and new applications of our service across the enterprise, and renew their subscriptions upon expiration of the subscription contract term. Our customers have no obligation to renew their subscriptions, and our customers may not renew subscriptions with a similar contract period or with the same or a greater number of users. Although our renewal rates have historically been high, some of our customers have elected not to renew their agreements with us and we cannot accurately predict renewal rates. Moreover, in some cases, some of our customers have the right to cancel their agreements prior to the expiration of the term. Our renewal rates may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our subscription service, professional services, customer support, or prices, the prices of competing solutions, mergers and acquisitions affecting our customer base, the effects of global economic conditions, or reductions in our customers' spending levels. Our growth also depends in part on our ability to sell more subscriptions and additional professional services to our current customers. If our customers do not renew their subscriptions, renew on less favorable terms or fail to add more authorized users or fail to purchase additional professional services, our revenues may decline, and our operating results would be harmed.

Because our sales efforts are targeted at large enterprise customers, we face longer sales cycles, substantial upfront pre-sales costs and less predictability in completing some of our sales. If our sales cycle lengthens, or if our sales investments do not result in sufficient sales, our operating results could be harmed.

We target our sales efforts at large enterprise customers. Because these customers are often making an enterprise-wide decision to deploy our services, sometimes on a global basis, we face long sales cycles, complex customer requirements, substantial upfront pre-sales costs and less predictability in completing some of our sales. Our sales cycle is generally six to nine months, but is variable and difficult to predict and can be much longer. Large enterprises often undertake a prolonged evaluation of our services, including whether they need professional services performed by us or a third party for their service management needs, and a comparison of our services to products offered by our competitors. Some of our large enterprise customers initially deploy our services on a limited basis, with no guarantee that these customers will deploy our services widely enough across their organization to justify our substantial pre-sales investment. If our sales cycle lengthens or our substantial upfront pre-sales investments do not result in sufficient subscription revenues to justify our investments, our operating results could be harmed.

We may be unable to develop or obtain intellectual property that provides us with a competitive advantage or prevent third parties from infringing upon or misappropriating our intellectual property. Defending our intellectual property may result in substantial expenses that harm our operating results.

Our success depends to a significant degree on our ability to protect our proprietary technology and our brand. We rely on a combination of copyright, trademark, trade secret and other intellectual property laws and confidentiality procedures to protect our proprietary rights. We have recently begun to seek patent protection for our technology. We may not be successful in obtaining patent protection, and any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our services are available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. We may be required to spend significant resources to monitor and protect our intellectual property rights. We have, and in the future may, initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us, divert the efforts of our technical and management personnel and may result in counter-claims with respect to infringement of intellectual property rights by us. If we are unable to prevent third parties from infringing upon or misappropriating our intellectual property, or are required to incur substantial expenses in defending our intellectual property rights, our business and operating results may be harmed.

We have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in our industry. Our success depends in part on not infringing upon the intellectual property rights of others. We may be unaware of the intellectual property rights of others that may cover some or all of our technology or services. From time to time, our competitors or other third parties may claim that we are infringing upon their intellectual property rights, and we may be found to be infringing upon such rights.

For example, on February 6, 2014, Hewlett-Packard Company filed a lawsuit against us in the U.S. District Court for the Northern District of California that alleges that some of our services infringe the claims of eight of Hewlett-Packard's patents. Hewlett-Packard is seeking unspecified damages and an injunction. We filed an answer to the complaint on March 28, 2014 denying the allegations and asserting various affirmative defenses. The court held case management conferences on June 26, 2014, September 4, 2014 and February 5, 2015. The parties are currently conducting discovery. Hewlett-Packard served infringement contentions on July 3, 2014 and November 18, 2014. We served invalidity contentions on January 9, 2015. A claim construction hearing is scheduled for June 12, 2015. Trial is currently scheduled to begin on May 16, 2016. We have filed petitions for *inter partes* review of all eight asserted patents with the United States Patent and Trademark Office.

On September 23, 2014, BMC Software, Inc. filed a lawsuit against us in the U.S. District Court for the Eastern District of Texas that alleges that some of our services willfully infringe the claims of seven of BMC's patents. BMC is seeking unspecified damages and an injunction. Motions to dismiss and transfer venue are currently pending. BMC served infringement contentions on January 6, 2015. Our invalidity contentions are due March 3, 2015. A claim construction hearing is scheduled for July 10, 2015. Trial is currently scheduled to begin on March 14, 2016.

We intend to vigorously defend these lawsuits. These litigation matters are still in their early stages and the final outcome, including our liability, if any, with respect to the claims in the lawsuits, is uncertain. If an unfavorable outcome were to occur in either litigation, the impact could be material to our business, financial condition, cash flow or results of operations, depending on the specific circumstances of the outcome.

Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners in connection with any such litigation and to obtain licenses, modify our services or refund fees. Such disputes could also cause an adverse impact to our customer satisfaction and related renewal rates and could cause us to lose potential sales. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations and harm our operating results.

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

A significant portion of the technologies licensed or developed by us incorporate open source software and we may incorporate open source software into other services in the future. We attempt to monitor our use of open source software in an effort to avoid subjecting our services to adverse licensing conditions. However, there can be no assurance that our efforts have been or will be successful. There is little or no legal precedent governing the interpretation of the terms of open source licenses, and therefore the potential impact of these terms on our business is uncertain and enforcement of these terms may result in unanticipated obligations regarding our services and technologies. For example, depending on which open source license governs open source software included within our services or technologies, we may be subjected to conditions requiring us to offer our services to users at no cost; make available the source code for modifications and derivative works based upon, incorporating or using the open source software; and license such modifications or derivative works under the terms of the particular open source license. Moreover, if an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal costs defending ourselves against such allegations, be subject to significant damages or be enjoined from the distribution of our services.

We need to continue to invest in the growth of our worldwide operations by opening new geographic markets. If our required investments in these markets are greater than anticipated, or if our customer growth in these markets does not meet our expectations, our financial results will be negatively impacted.

We are continuing to expand worldwide and have recently significantly expanded our presence in Brazil and Asia. We have made and will continue to make substantial investments as we enter these and other new geographic markets. These include investments in data centers and cloud-based infrastructure, sales, marketing and administrative personnel and facilities. Often we must make these investments when it is still unclear whether future sales in the new market will justify the investments. In addition, these investments may be more expensive than we initially anticipate. If our required investments are greater than anticipated, or if our customer growth does not meet our expectations, our financial results will be negatively impacted.

Sales to customers outside North America expose us to risks inherent in international sales.

Because we sell our services throughout the world, we are subject to risks and challenges that we would otherwise not face if we conducted our business only in North America. Sales outside of North America represented 32% of our total revenues for the year ended December 31, 2014, and we intend to continue to expand our international sales efforts. Our business and future prospects depend on increasing our international sales as a percentage of our total revenues, and the failure to grow internationally will harm our business. The risks and challenges associated with sales to customers outside North America are different in some ways from those associated with sales in North America and we have a limited history addressing those risks and meeting those challenges. Furthermore, the business conduct and ethical standards of many other countries, including the emerging market countries that we are expanding into, are substantially different and much less rigorous than the United States. The risks and challenges inherent with international sales include:

- foreign currency fluctuations which may cause exchange and translation losses;
- compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, competition, privacy and data protection laws and regulations;
- compliance by us and our business partners with international bribery and corruption laws, including the UK Bribery Act and the Foreign Corrupt Practices Act;
- the risk that illegal or unethical activities of our business partners will be attributed to or result in liability to us;
- compliance with regional data privacy laws that apply to the transmission of our customers' data across international borders, many of which are stricter than the equivalent U.S. laws;
- difficulties in staffing and managing foreign operations;
- different or lesser protection of our intellectual property;
- longer and potentially more complex sales cycles;
- longer accounts receivable payment cycles and other collection difficulties;
- treatment of revenues from international sources and changes to tax codes, including being subject to foreign tax laws and being liable for paying withholding, income or other taxes in foreign jurisdictions;
- different pricing and distribution environments;
- local business practices and cultural norms that may favor local competitors;
- localization of our services, including translation into foreign languages and associated expenses; and
- regional economic and political conditions.

Any of these factors could negatively impact our business and results of operations.

A portion of our revenues are generated by sales to government entities and heavily regulated organizations, which are subject to a number of challenges and risks.

A portion of our sales are to governmental agencies. Additionally, many of our current and prospective customers, such as those in the financial services and health care industries, are highly regulated and may be required to comply with more stringent regulations in connection with subscribing to and implementing our services. Selling 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. Furthermore, engaging in sales activities to foreign governments introduces additional compliance risks specific to the Foreign Corrupt Practices Act, the UK Bribery Act and other similar statutory requirements prohibiting bribery and corruption in the jurisdictions in which we operate. Government and highly regulated entities often require contract terms that differ from our standard arrangements and impose compliance requirements that are complicated, require preferential pricing or "most favored nation" terms and conditions, or are otherwise time consuming and expensive to satisfy. If we undertake to meet special standards or requirements and do not meet them, we could be subject to increased liability from our customers or regulators. Even if we do meet them, the additional costs associated with providing our services to government and highly regulated customers could harm our margins. Moreover, changes in the underlying regulatory conditions that affect these types of customers could harm our ability to efficiently provide our services to them and to grow or maintain our customer base.

Because we recognize revenues from our subscription service over the subscription term, downturns or upturns in new sales and renewals will not be immediately reflected in our operating results.

We generally recognize revenues from customers ratably over the terms of their subscriptions. As a result, most of the revenues we report in each quarter are derived from the recognition of deferred revenues relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter will likely have only a small, and perhaps no apparent, impact on our revenue results for that quarter. Such a decline, however, will negatively affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as revenues from new customers must be recognized over the applicable subscription term. In addition, we may be unable to adjust our cost structure to reflect the changes in revenues.

We face exposure to foreign currency exchange rate fluctuations.

We conduct significant transactions, including revenue transactions and intercompany transactions, in currencies other than the U.S. dollar or the functional operating currency of the transactional entities. In addition, our international subsidiaries maintain significant net assets that are denominated in currencies other than the functional operating currencies of these entities. Accordingly, changes in the value of currencies relative to the U.S. dollar can affect our consolidated revenues and operating results due to transactional and translational remeasurement that is reflected in our earnings. For example, the U.S. dollar has recently begun to strengthen relative to the Euro and other currencies. If this trend continues, it would have a negative impact on our consolidated revenues. It is particularly difficult to forecast any impact from exchange rate movements, so there is a risk that unanticipated currency fluctuations could adversely affect our results or cause our results to differ from investor expectations or our own guidance in any future periods.

We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

Unanticipated changes in our effective tax rate could harm our future results.

We are subject to income taxes in the United States and various foreign jurisdictions, and our domestic and international tax liabilities are subject to the allocation of earnings and losses in differing jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses as a result of acquisitions, the valuation of deferred tax assets and liabilities and changes in federal, state or international tax laws and accounting principles. Increases in our effective tax rate would reduce our profitability or in some cases increase our losses.

In addition, we may be subject to income tax audits by tax jurisdictions throughout the world, many of which have not established clear guidance on the tax treatment of cloud-based companies. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period.

If we are unable to maintain effective internal control over financial reporting, the accuracy and timeliness of our financial reporting may be adversely affected.

The Sarbanes-Oxley Act requires us, among other things, to assess and report on the effectiveness of our internal control over financial reporting annually and disclosure controls and procedures quarterly. In addition, our independent registered public accounting firm is required to audit the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act annually. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Moreover, our testing, or the subsequent testing by our independent registered public accounting firm, may reveal material weaknesses. If material weaknesses are identified or we are not able to comply with the requirements of Section 404 in a timely manner, our reported financial results could be materially misstated or could subsequently require restatement, we could receive an adverse opinion regarding our internal control over financial reporting from our independent registered public accounting firm, we could be subject to investigations or sanctions by regulatory authorities and we could incur substantial expenses.

Changes in laws, regulations and standards related to the Internet may cause our business to suffer.

Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy, the use of the Internet as a commercial medium, and data sovereignty requirements concerning the location of data centers that store and process data. Industry organizations also regularly adopt and advocate for new standards in this area. For instance, we believe increased regulation is likely in the area of data privacy, and changing laws, regulations and standards applying to the solicitation, collection, processing or use of personal or consumer information could affect our customers' ability to use and share data, potentially restricting our ability to store, process and share data with our customers in connection with providing our services. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the Internet, commerce conducted via the Internet or validation that particular processes follow the latest standards. These changes could limit the viability of Internet-based services such as ours. If we are not able to adjust to changing laws, regulations and standards related to the Internet, our business may be harmed.

Natural disasters and other events beyond our control could harm our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a negative effect on us. Our business operations are subject to interruption by natural disasters, flooding, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, could decrease demand for our services, and would cause us to incur substantial expense. Our insurance may not be sufficient to cover losses or additional expense that we may sustain in connection with any natural disaster. The majority of our research and development activities, corporate offices, information technology systems, and other critical business operations are located near major seismic faults in California. Customer data could be lost, significant recovery time could be required to resume operations and our financial condition and operating results could be harmed in the event of a major natural disaster or catastrophic event.

Weakened global economic conditions may harm our industry, business and results of operations.

Our overall performance depends in part on worldwide economic conditions. Global financial developments seemingly unrelated to us or the software industry may harm us. The United States and other key international economies have been impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These conditions affect the rate of information technology spending and could adversely affect our customers' ability or willingness to purchase our services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions, or affect renewal rates, all of which could harm our operating results.

Risks Related to Our 0% Convertible Senior Notes Due 2018 (the "Notes")

Although the Notes are referred to as convertible senior notes, they are effectively subordinated to any of our secured debt and any liabilities of our subsidiaries.

The Notes will rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the Notes; equal in right of payment to any of our liabilities that are not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior in right of payment to the Notes will be available to pay obligations on the Notes only after the secured debt has been repaid in full from these assets, and the assets of our subsidiaries will be available to pay obligations on the Notes only after all claims senior to the Notes have been repaid in full. There may not be sufficient assets remaining to pay amounts due on any or all of the Notes then outstanding. The indenture governing the Notes does not prohibit us from incurring additional senior debt or secured debt, nor does it prohibit any of our current or future subsidiaries from incurring additional liabilities.

As of December 31, 2014, we and our subsidiaries had \$443.8 million in consolidated indebtedness, and our subsidiaries had \$162.8 million of liabilities (including trade payables but excluding intercompany obligations and liabilities of a type not required to be reflected on a balance sheet of such subsidiaries in accordance with GAAP) to which the Notes would have been structurally subordinated.

Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Notes.

We expect that many investors in, and potential purchasers of, the Notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the Notes. Investors would typically implement such a strategy by selling short the common stock underlying the Notes and dynamically adjusting their short position while continuing to hold the Notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Notes to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of the Notes.

We may still incur substantially more debt or take other actions which would diminish our ability to make payments on the Notes when due.

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our future debt instruments, some of which may be secured debt. We are not restricted under the terms of the indenture governing the Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture governing the Notes that could have the effect of diminishing our ability to make payments on the Notes when due.

We may not have the ability to raise the funds necessary to settle conversions of the Notes in cash or to repurchase the Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes.

Holders of the Notes will have the right to require us to repurchase all or a portion of their Notes upon the occurrence of a fundamental change at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor or pay cash with respect to Notes being converted.

In addition, our ability to repurchase or to pay cash upon conversion of the Notes may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture or to pay cash upon conversion of the Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. Moreover, the occurrence of a fundamental change under the indenture could constitute an event of default under any such agreements. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or to pay cash upon conversion of the Notes.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Notes is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.

In May 2008, FASB issued FASB Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement), which has subsequently been codified as Accounting Standards Codification 470-20, Debt with Conversion and Other Options (“ASC 470-20”). Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer’s economic interest cost. The effect of ASC 470-20 on the accounting for the Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders’ equity on our consolidated balance sheet at the issuance date and the value of the equity component would be treated as debt discount for purposes of accounting for the debt component of the Notes. As a result, we are required to record a greater amount of non-cash interest expense as a result of the amortization of the discounted carrying value of the Notes to their face amount over the term of the Notes. We will report lower net income (or larger net losses) in our financial results because ASC 470-20 requires interest to include both the amortization of the debt discount and the instrument’s non-convertible coupon interest rate, which could adversely affect our future financial results, the trading price of our common stock and the trading price of the Notes.

Holders of Notes will not be entitled to any rights with respect to our common stock, but they will be subject to all changes made with respect to them to the extent our conversion obligation includes shares of our common stock.

Holders of Notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock) prior to the conversion date relating to such Notes (if we have elected to settle the relevant conversion by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share)) or the last trading day of the relevant observation period (if we elect to pay and deliver, as the case may be, a combination of cash and shares of our common stock in respect of the relevant conversion), but holders of Notes will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our restated certificate of incorporation or restated bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date related to a holder’s conversion of its Notes (if we have elected to settle the relevant conversion by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share)) or the last trading day of the relevant observation period (if we elect to pay and deliver, as the case may be, a combination of cash and shares of our common stock in respect of the relevant conversion), such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

The conditional conversion feature of the Notes could result in note holders receiving less than the value of our common stock into which the Notes would otherwise be convertible.

Prior to the close of business on the business day immediately preceding July 1, 2018, holders of our Notes may convert their Notes only if specified conditions are met. If the specific conditions for conversion are not met, holders will not be able to convert their Notes, and they may not be able to receive the value of the cash, common stock or a combination of cash and common stock, as applicable, into which their Notes would otherwise be convertible.

Upon conversion of the Notes, note holders may receive less valuable consideration than expected because the value of our common stock may decline after holders exercise their conversion right but before we settle our conversion obligation.

Under the Notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date such holder surrenders Notes for conversion until the date we settle our conversion obligation.

Upon conversion of the Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock. If we elect to satisfy our conversion obligation in cash or a combination of cash and shares of our common stock, the amount of consideration that a note holder will receive upon conversion of such holder's Notes will be determined by reference to the volume weighted average prices of our common stock for each trading day in a 30 trading-day observation period. This period would be: (i) if the relevant conversion date occurs prior to July 1, 2018, the 30 consecutive trading days beginning on, and including, the second trading day immediately succeeding such conversion date; and (ii) if the relevant conversion date occurs during the period from, and including, July 1, 2018 to the close of business on the second scheduled trading day immediately preceding November 1, 2018, the 30 consecutive trading days beginning on, and including, the 32nd scheduled trading day immediately preceding the maturity date. Accordingly, if the price of our common stock decreases during this period, the amount and/or value of consideration note holders receive will be adversely affected. In addition, if the market price of our common stock at the end of such period is below the average of the daily volume weighted average prices of our common stock during such period, the value of any shares of our common stock that note holders will receive in satisfaction of our conversion obligation will be less than the value used to determine the number of shares that holders will receive.

If we elect to satisfy our conversion obligation solely in shares of our common stock upon conversion of the Notes, we will be required to deliver the shares of our common stock, together with cash for any fractional share, on the third business day following the relevant conversion date (or, for conversions occurring on or after July 1, 2018, on the maturity date). Accordingly, if the price of our common stock decreases during this period, the value of the shares that holders receive will be adversely affected and would be less than the conversion value of the Notes on the conversion date.

The Notes are not protected by restrictive covenants.

The indenture governing the Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the Notes in the event of a fundamental change or other corporate transaction involving us except in certain cases described in the indenture connected with fundamental changes, consolidations, mergers or sales of assets.

The increase in the conversion rate for Notes converted in connection with a make-whole fundamental change may not adequately compensate holders of the Notes for any lost value of the Notes as a result of such transaction.

If a make-whole fundamental change occurs prior to maturity, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for Notes converted in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid (or deemed to be paid) per share of our common stock in such transaction. The increase in the conversion rate for Notes converted in connection with a make-whole fundamental change may not adequately compensate holders for any lost value of the Notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than \$250.00 per share or less than \$53.73 per share (in each case, subject to adjustment), no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per \$1,000 principal amount of Notes as a result of this adjustment exceed 18.6115 shares of common stock, subject to adjustment in the same manner as the conversion rate.

Our obligation to increase the conversion rate for Notes converted in connection with a make-whole fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

The conversion rate of the Notes may not be adjusted for all dilutive events.

The conversion rate of the Notes is subject to adjustment for certain events, including, but not limited to, the issuance of certain stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the Notes or our common stock. An event that adversely affects the value of the Notes may occur, and that event may not result in an adjustment to the conversion rate.

Provisions in the indenture for the Notes may deter or prevent a business combination that may be favorable to note holders.

If a fundamental change occurs prior to the maturity date of the Notes, holders of the Notes will have the right, at their option, to require us to repurchase all or a portion of their Notes. In addition, if a make-whole fundamental change occurs prior to the maturity date of the Notes, we will in some cases be required to increase the conversion rate for a holder that elects to convert its Notes in connection with such make-whole fundamental change. Furthermore, the indenture for the Notes prohibits us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the Notes and the indenture. These and other provisions in the indenture could deter or prevent a third party from acquiring us even when the acquisition may be favorable to note holders.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Notes.

Upon the occurrence of a fundamental change, note holders have the right to require us to repurchase all or a portion of the Notes. However, the fundamental change provisions will not afford protection to holders of Notes in the event of other transactions that could adversely affect the Notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to offer to repurchase the Notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of Notes.

In addition, absent the occurrence of a fundamental change or a make-whole fundamental change, changes in the composition of our board of directors will not provide holders with the right to require us to repurchase the Notes or to an increase in the conversion rate upon conversion.

We have not registered the Notes or the common stock issuable upon conversion of the Notes, if any, which will limit the ability of note holders to resell them.

The Notes and the shares of common stock issuable upon conversion of the Notes, if any, have not been registered under the Securities Act of 1933, as amended, or the Securities Act, or any state securities laws. Unless the Notes and any shares of common stock issuable upon conversion of the Notes have been registered, they may not be transferred or resold except in a transaction exempt from or not subject to the registration requirements of the Securities Act and applicable state securities laws. We do not intend to file a registration statement for the resale of the Notes and the common stock, if any, into which the Notes are convertible.

We cannot guarantee an active trading market for the Notes.

We have not listed and do not intend to apply to list the Notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. Moreover, the initial purchasers of the Notes may cease making a market in the Notes at any time without notice. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure note holders that there will be an active trading market for the Notes. If an active trading market is not maintained, the market price and liquidity of the Notes may be adversely affected. In that case, note holders might not be able to sell the Notes at a particular time or at a favorable price.

Any adverse rating of the Notes may cause their trading price to fall.

We have not obtained and do not intend to seek a rating on the Notes. However, if a rating service were to rate the Notes and if such rating service were to lower its rating on the Notes below the rating initially assigned to the Notes or otherwise announces its intention to put the Notes on credit watch, the trading price of the Notes could decline.

Note holders may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the Notes even though note holders do not receive a corresponding cash distribution.

The conversion rate of the Notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, note holders may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases a note holder's proportionate interest in us could be treated as a deemed taxable dividend to such note holder. If a make-whole fundamental change occurs prior to maturity, under some circumstances, we will increase the conversion rate for Notes converted in connection with the make-whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. If a holder is a non-U.S. holder, any deemed dividend generally would be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments on the Notes.

Future sales of our common stock in the public market could lower the market price for our common stock and adversely impact the trading price of the Notes.

In the future, we may sell additional shares of our common stock to raise capital. In addition, a substantial number of shares of our common stock is reserved for issuance upon the exercise of stock options, the vesting of restricted stock, settlement of restricted stock units and issuance of performance shares pursuant to our employee benefit plans, for purchase by employees under our employee stock purchase plan, upon conversion of the Notes and in relation to the warrant transactions we entered into in connection with the pricing of the Notes. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sale of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the trading price of the Notes and the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

The convertible note hedge and warrant transactions may affect the value of the Notes and our common stock.

In connection with the sale of the Notes, we entered into convertible note hedge ("Note Hedge") transactions with certain financial institutions (the "option counterparties"). We also entered into warrant transactions with the option counterparties pursuant to which we sold warrants for the purchase of our common stock ("Warrants"). The Note Hedge transactions are expected generally to reduce the potential dilution upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be. The warrant transactions could separately have a dilutive effect to the extent that the market price per share of our common stock exceeds the strike price of the Warrants.

The option counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock in secondary market transactions prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of Notes or following any repurchase of Notes by us on any fundamental change repurchase date or otherwise). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Notes, which could affect note holders' ability to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of Notes, it could affect the amount and value of the consideration that note holders will receive upon conversion of the Notes.

The potential effect, if any, of these transactions and activities on the market price of our common stock or the Notes will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our common stock and the value of the Notes (and as a result, the value of the consideration, the amount of cash and/or the number of shares, if any, that note holders would receive upon the conversion of any Notes) and, under certain circumstances, the ability of the note holders to convert the Notes.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the Notes or our common stock. In addition, we do not make any representation that the option counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We are subject to counterparty risk with respect to the Note Hedge transactions.

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them may default under the Note Hedge transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Recent global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings, with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties.

Risks Relating to Ownership of Our Common Stock

The market price of our common stock has historically been and is likely to continue to be volatile, could adversely impact the trading price of the Notes and could subject us to litigation.

The trading price of our common stock has been, and is likely to continue to be, volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Since shares of our common stock were sold in our initial public offering in June 2012 at a price of \$18.00 per share, our stock price has ranged from \$22.62 to \$71.80 through December 31, 2014. In addition, the trading prices of the securities of technology companies in general have been highly volatile, and the volatility in market price and trading volume of securities is often unrelated or disproportionate to the financial performance of the companies issuing the securities. Factors affecting the market price of our common stock include:

- variations in our growth rate, operating results, earnings per share, cash flows from operating activities, deferred revenue, and other financial metrics and non-financial metrics, and how those results compare to analyst expectations;
- forward-looking statements related to future revenues and earnings per share;
- the net increases in the number of customers, either independently or as compared with published expectations of industry, financial or other analysts that cover our company;
- changes in the estimates of our operating results or changes in recommendations by securities analysts that elect to follow our common stock;
- announcements of technological innovations, new solutions or enhancements to services, strategic alliances or significant agreements by us or by our competitors;
- announcements regarding our efforts to expand our offerings for service domains outside of IT, and offerings for small and medium-sized businesses;
- announcements by us or by our competitors of mergers or other strategic acquisitions, or rumors of such transactions involving us or our competitors;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- recruitment or departure of key personnel;
- disruptions in our services due to computer hardware, software or network problems, security breaches, or other man-made or natural disasters;
- the economy as a whole, and market conditions in our industry and the industries of our customers;
- trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock;
- the size of our market float and the volume of trading in our common stock, including sales upon exercise of outstanding options or vesting of equity awards or sales and purchases of any common stock issued upon conversion of the Notes or in connection with the Note Hedge and Warrant transactions relating to the Notes; and
- any other factors discussed herein.

In addition, if the market for technology stocks or the stock market in general experiences uneven investor confidence, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our common stock might also decline in reaction to events that affect other companies within, or outside, our industry even if these events do not directly affect us. A decrease in the market price of our common stock would likely adversely impact the trading price of our Notes. The price of our common stock could also be affected by possible sales of our common stock by investors who view the Notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading price of the Notes. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation. If we are the subject of such litigation, it could result in substantial costs and a diversion of our management's attention and resources.

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

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our common stock may be prohibited or limited by the terms of any future debt financing arrangement. Any return to stockholders will therefore be limited to the increase, if any, of our stock price.

Our directors and executive officers beneficially own a significant percentage of our stock and are able to exert control over matters subject to stockholder approval.

As of December 31, 2014, our directors and executive officers and their respective affiliates beneficially owned in the aggregate approximately 11% of our outstanding voting stock. Together, these stockholders have the ability to influence us through this ownership position. For example, these stockholders may be able to influence elections of directors, amendments of our organizational documents, or the approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

Provisions in our charter documents, Delaware law and our Notes might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the market price of our common stock.

Our restated certificate of incorporation and restated bylaws contain provisions that could depress the market price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions among other things:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit the board of directors to establish the number of directors;
- provide that directors may only be removed "for cause" and only with the approval of 66 2/3% of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our restated bylaws; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on merger, business combinations and other transactions between us and holders of 15% or more of our common stock.

Further, the fundamental change provisions of our Notes may delay or prevent a change in control of our company, because those provisions allow note holders to require us to repurchase such notes upon the occurrence of a fundamental change (as defined in the indenture for the Notes).

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal office is located at 3260 Jay Street in Santa Clara, California. On December 12, 2014, we entered into a lease agreement pursuant to which we will lease approximately 328,867 square feet of space, located at 2215 Lawson Lane, 2225 Lawson Lane, and 2235 Lawson Lane, Santa Clara, California. The initial term of the lease is expected to commence on August 15, 2015, although the commencement date may be extended in certain circumstances if specified improvements to the premises have not been completed by such date.

We also maintain offices in various North American, European and Asian countries. All of our properties are currently leased. We believe our existing facilities are adequate to meet our current requirements. See Note 18 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information about our lease commitments. If we were to require additional space, we believe we will be able to obtain such space on acceptable, commercially reasonable, terms.

ITEM 3. LEGAL PROCEEDINGS

On February 6, 2014, Hewlett-Packard Company filed a lawsuit against us in the U.S. District Court for the Northern District of California that alleges that some of our services infringe the claims of eight of Hewlett-Packard's patents. Hewlett-Packard is seeking unspecified damages and an injunction. We filed an answer to the complaint on March 28, 2014 denying the allegations and asserting various affirmative defenses. The court held case management conferences on June 26, 2014, September 4, 2014 and February 5, 2015. The parties are currently conducting discovery. Hewlett-Packard served infringement contentions on July 3, 2014 and November 18, 2014. We served invalidity contentions on January 9, 2015. A claim construction hearing is scheduled for June 12, 2015. Trial is currently scheduled to begin on May 16, 2016. We have filed petitions for *inter partes* review of all eight asserted patents with the United States Patent and Trademark Office.

On September 23, 2014, BMC Software, Inc. filed a lawsuit against us in the U.S. District Court for the Eastern District of Texas that alleges that some of our services willfully infringe the claims of seven of BMC's patents. BMC is seeking unspecified damages and an injunction. Motions to dismiss and transfer venue are currently pending. BMC served infringement contentions on January 6, 2015. Our invalidity contentions are due March 3, 2015. A claim construction hearing is scheduled for July 10, 2015. Trial is currently scheduled to begin on March 14, 2016.

We intend to vigorously defend these lawsuits. These litigation matters are still in their early stages and the final outcome, including our liability, if any, with respect to the claims in the lawsuits, is uncertain. If an unfavorable outcome were to occur in either litigation, the impact could be material to our business, financial condition, cash flow or results of operations, depending on the specific circumstances of the outcome.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Other than as described above, we are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or taken together have a material adverse effect on our business, financial condition, cash flows or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market Information for Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol "NOW."

The following table sets forth for the indicated periods the high and low sales prices of our common stock as reported by the New York Stock Exchange.

	High	Low
Year ended December 31, 2014		
First Quarter	\$ 71.80	\$ 54.36
Second Quarter	\$ 63.96	\$ 44.17
Third Quarter	\$ 64.98	\$ 54.11
Fourth Quarter	\$ 70.90	\$ 54.05
Year ended December 31, 2013		
First Quarter	\$ 38.22	\$ 25.54
Second Quarter	\$ 43.99	\$ 33.95
Third Quarter	\$ 53.11	\$ 39.83
Fourth Quarter	\$ 58.41	\$ 47.37

Dividend Policy

We have never paid any cash dividends on our common stock. Our board of directors currently intends to retain any future earnings to support operations and to finance the growth and development of our business and does not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors.

Stockholders

As of December 31, 2014, there were 25 registered stockholders of record (not including beneficial holders of stock held in street names) of our common stock.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

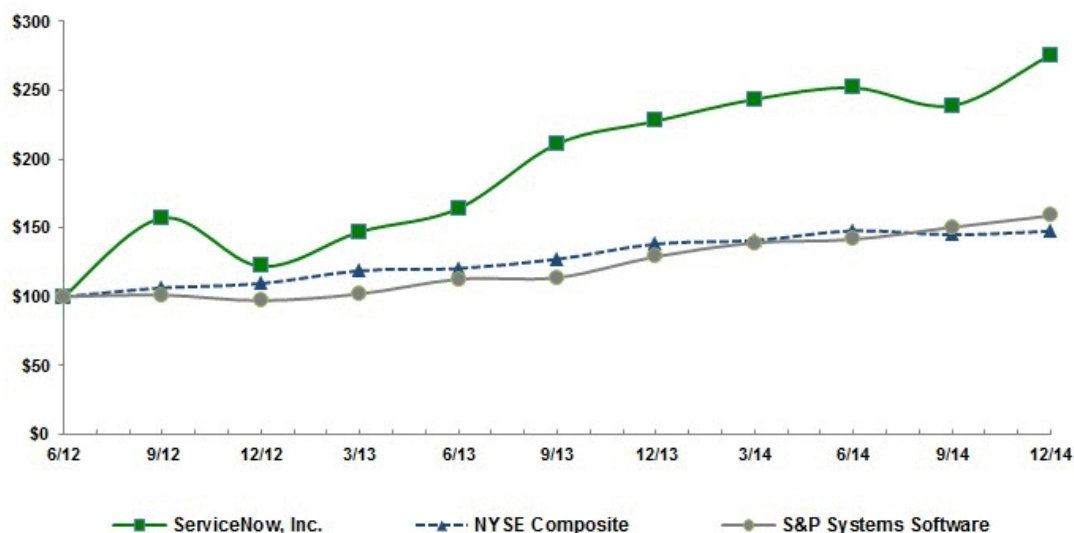
Stock Performance Graph

The following shall not be deemed incorporated by reference into any of our other filings under the Securities Exchange Act of 1934, as amended, the Exchange Act, or the Securities Act except to the extent we specifically incorporate it by reference into such filing.

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the NYSE Composite Index and the Standard & Poor Systems Software Index for the period beginning on June 29, 2012 (the date our common stock commenced trading on the New York Stock Exchange) through December 31, 2014, assuming an initial investment of \$100. Data for the NYSE Composite Index and the Standard & Poor Systems Software Index assume reinvestment of dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.

**COMPARISON OF CUMULATIVE TOTAL RETURN OF
SERVICENOW, INC.**



	Jun 29, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	Mar 31, 2014	Jun 30, 2014	Sep 30, 2014	Dec 31, 2014
ServiceNow, Inc.	100.00	157.24	122.07	147.15	164.19	211.18	227.68	243.58	251.87	238.94	275.81
NYSE Composite	100.00	106.46	109.60	118.97	120.54	127.34	138.40	140.95	147.96	145.06	147.74
S&P Systems Software	100.00	101.19	97.22	102.05	112.75	113.91	129.20	139.18	141.64	150.50	158.92

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K during the year ended December 31, 2014.

Issuer Purchases of Equity Securities

During the year ended December 31, 2014, we did not purchase any of our equity securities that are registered under Section 12 of the Exchange Act.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read together with our consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” appearing elsewhere in this filing. The selected consolidated financial data in this section are not intended to replace our consolidated financial statements and the related notes. Our historical results are not necessarily indicative of our future results.

The selected consolidated statements of operations data for each of the years ended December 31, 2014, 2013 and 2012, and the selected consolidated balance sheet data as of December 31, 2014 and 2013 are derived from our audited consolidated financial statements and are included in this Form 10-K. The consolidated statements of operations data for the six months ended December 31, 2011, fiscal 2011 and 2010 and the consolidated balance sheet data as of December 31, 2012, 2011, and June 30, 2011 and 2010 are derived from our audited consolidated financial statements which are not included in this Annual Report on Form 10-K.

In February 2012, we changed our fiscal year-end from June 30 to December 31. References to “fiscal 2010” and “fiscal 2011” are to the fiscal years ended June 30, 2010 and 2011, while references to 2011, 2012, 2013 and 2014 refer to the respective years ending on December 31.

	Year Ended December 31,			Six Months Ended	Fiscal Year Ended June 30,	
	2014	2013	2012	December 31,	2011	2010
(in thousands, except share and per share data)						
Consolidated Statements of Operations Data:						
Revenues ⁽¹⁾ :						
Subscription	\$ 567,217	\$ 349,804	\$ 204,526	\$ 64,886	\$ 79,191	\$ 40,078
Professional services and other	115,346	74,846	39,186	8,489	13,450	3,251
Total revenues	682,563	424,650	243,712	73,375	92,641	43,329
Cost of revenues ⁽²⁾⁽³⁾ :						
Subscription	142,687	87,928	63,258	15,073	15,311	6,378
Professional services and other	106,089	67,331	40,751	12,850	16,264	9,812
Total cost of revenues	248,776	155,259	104,009	27,923	31,575	16,190
Gross profit	433,787	269,391	139,703	45,452	61,066	27,139
Operating expenses ⁽²⁾⁽³⁾ :						
Sales and marketing	341,119	195,190	103,837	32,501	34,123	19,334
Research and development	148,258	78,678	39,333	7,030	7,004	7,194
General and administrative	96,245	61,790	34,117	10,084	9,379	28,810
Total operating expenses	585,622	335,658	177,287	49,615	50,506	55,338
Income (loss) from operations	(151,835)	(66,267)	(37,584)	(4,163)	10,560	(28,199)
Interest and other income (expense), net	(23,705)	(4,930)	1,604	(1,446)	606	(1,226)
Income (loss) before provision for income taxes	(175,540)	(71,197)	(35,980)	(5,609)	11,166	(29,425)
Provision for income taxes	3,847	2,511	1,368	1,075	1,336	280
Net income (loss)	\$ (179,387)	\$ (73,708)	\$ (37,348)	\$ (6,684)	\$ 9,830	\$ (29,705)
Net income (loss) attributable to common stockholders:						
Basic	\$ (179,387)	\$ (73,708)	\$ (37,656)	\$ (6,996)	\$ 1,639	\$ (30,345)
Diluted	\$ (179,387)	\$ (73,708)	\$ (37,656)	\$ (6,996)	\$ 2,310	\$ (30,345)
Net income (loss) per share attributable to common stockholders:						
Basic	\$ (1.23)	\$ (0.54)	\$ (0.51)	\$ (0.33)	\$ 0.09	\$ (1.31)
Diluted	\$ (1.23)	\$ (0.54)	\$ (0.51)	\$ (0.33)	\$ 0.08	\$ (1.31)
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders:						
Basic	145,355,543	135,415,809	73,908,631	21,104,219	18,163,977	23,157,576
Diluted	145,355,543	135,415,808	73,908,630	21,104,219	28,095,486	23,157,576

- (1) Revenues subsequent to July 1, 2010 reflect the prospective adoption of new revenue accounting guidance for arrangements with multiple deliverables. Please refer to Note 2 to our consolidated financial statements for further discussion of our revenue recognition policies.
- (2) Stock-based compensation included in the statements of operations data above was as follows:

	Year Ended December 31,			Six Months Ended	Fiscal Year Ended June 30,	
	2014	2013	2012	December 31,	2011	2010
	(in thousands)					
Cost of revenues:						
Subscription	\$ 14,988	\$ 8,434	\$ 3,929	\$ 674	\$ 548	\$ 48
Professional services and other	13,116	4,749	1,574	193	117	28
Sales and marketing	54,006	21,609	10,189	2,010	1,004	277
Research and development	42,535	16,223	6,496	704	468	90
General and administrative	29,674	14,566	5,749	2,056	817	102

- (3) Cost of revenues and operating expenses for the fiscal year ended June 30, 2010 reflect compensation expense of \$0.7 million and \$30.1 million, respectively, related to the repurchase of shares from eligible stockholders in connection with our sale and issuance of Series D preferred stock.

	As of December 31,				As of June 30,	
	2014	2013	2012	2011	2011	2010
	(in thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	\$ 252,455	\$ 366,303	\$ 118,989	\$ 68,088	\$ 59,853	\$ 29,402
Working capital, excluding deferred revenue	809,660	722,214	364,426	95,033	75,801	33,080
Total assets	1,425,079	1,168,476	478,114	156,323	108,746	51,369
Deferred revenue, current and non-current portion	422,238	266,722	170,361	104,636	74,646	40,731
Convertible senior notes, net	443,764	414,777	—	—	—	—
Convertible preferred stock	—	—	—	68,172	67,860	67,227
Total stockholders' equity (deficit)	428,675	394,259	243,405	(57,426)	(58,381)	(71,262)

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes appearing under "Consolidated Financial Statements and Supplementary Data" in Item 8 of this filing. Some of the information contained in this discussion and analysis or set forth elsewhere in this filing, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should carefully read the "Forward Looking Statements" and "Risk Factors" sections of this filing for a discussion of important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

ServiceNow is a leading provider of cloud-based solutions that define, structure, manage and automate services across the global enterprise. By applying a service-oriented lens to the activities, tasks and processes that comprise day-to-day work life, we help the modern enterprise operate faster and be more scalable than ever before. We offer our services on an annual subscription fee basis which includes access to the ordered subscription service and related support including updates to the subscribed service during the subscription term. We provide a scaled pricing model based on the duration of the subscription term and we frequently extend discounts to our customers based on the number of users. We generate sales through our direct sales team and indirectly through channel partners and third-party referrals. We also generate revenues from professional services for implementation and training of customer personnel. We generally bill our customers annually in advance for subscription services and monthly in arrears for our professional services as the work is performed.

A majority of our revenues come from large global enterprise customers. We continue to invest in the development of our services, infrastructure and sales and marketing to drive long-term growth. We increased our overall employee headcount to 2,826 as of December 31, 2014 from 1,830 as of December 31, 2013.

Key Factors Affecting Our Performance

Upsell rate. To grow our business it is important for us to generate additional sales from existing customers, which we refer to as our upsell rate. We calculate our upsell rate as the annualized contract value, or ACV, of upsells, net of losses during the period, divided by our total ACV signed during the period. The upsell rate was 36%, 31% and 30% for the years ended December 31, 2014, 2013 and 2012, respectively. Our upsells are primarily derived by an increase in the number of seat licenses purchased by our customers and are also derived from the addition of other subscription services.

Renewal rate. We calculate our renewal rate by subtracting our attrition rate from 100%. Our attrition rate for a period is equal to the ACV from lost customers, divided by the total ACV from all customers that renewed during the period and from all lost customers. A lost customer is a customer that did not renew a contract expiring in the period and that, in our judgment, will not renew. Typically a customer that reduces its subscription upon renewal is not considered a lost customer. However, in instances where the subscription decrease represents the majority of the customer's ACV, we may deem the renewal as a lost customer. Our renewal rate was 97%, 96% and 97% for the years ended December 31, 2014, 2013 and 2012, respectively.

Total customers. We believe our total customer count is a key indicator of our market penetration, growth and future revenues. We have aggressively invested in, and intend to continue to invest in, our direct sales force and additional partnerships with our indirect sales channel. We generally define a customer as an entity with an active subscription contract as of the measurement date. In situations where there is a single contract that applies to entities with multiple subsidiaries or divisions, universities or governmental organizations, each entity that has contracted for a separate production instance of our services are counted as a separate customer. As of December 31, 2014, 2013 and 2012, our total customer count was 2,725, 2,061 and 1,512, respectively. Our customer count excludes customers of our Express product offering, which is our recently launched standardized IT service management solution.

Number of customers with ACV greater than \$1 million. We count the total number of customers with ACV greater than \$1 million as of the end of the period. We had 129, 67 and 37 customers with ACV greater than \$1 million as of December 31, 2014, 2013 and 2012, respectively.

G2K customer count. The Global 2000 ("G2K") customer count is defined as the total number of G2K companies in our customer base as of the end of the period. The Forbes Global 2000 is an annual ranking of the top 2000 public companies in the world by Forbes magazine. The ranking is based on a mix of four metrics: sales, profit, assets, and market value. The Forbes list is updated annually in the second quarter of the calendar year. Current and prior period G2K customer counts are based on the most recent list for comparability purposes. We adjust the G2K count for acquisitions, spin-offs, and other market activity to ensure the G2K customer count is accurately captured. For example, when a G2K company that is not our customer acquires a company in our existing customer base that is not a G2K company, a new G2K customer will be added in the quarter the acquisition occurs. When we enter into a contract with a G2K parent company, or any of its related subsidiaries, or any combination of entities within a G2K company, only one G2K customer will be counted. Further penetration into entities within the G2K customer is not counted as a new customer in the G2K customer count. Our G2K customer count was 522, 400 and 265 as of December 31, 2014, 2013 and 2012, respectively.

Components of Results of Operations

Revenues

Subscription revenues. Subscription revenues are primarily comprised of fees that give customers access to the ordered subscription service, related support and updates to the subscribed service during the subscription term. Pricing includes multiple instances, hosting and support services, data backup and disaster recovery services, as well as future upgrades, when and if available, offered during the subscription period. We typically invoice our customers for subscription fees in annual increments upon execution of the initial contract or subsequent renewal. Our contract is generally non-cancelable during the subscription term, though a customer can terminate for breach if we materially fail to perform.

We generate sales directly through our sales team and, to a lesser extent, through our channel partners. Sales to our channel partners are made at a discount and revenues are recorded at the discounted price when all revenue recognition criteria are met. From time to time, our channel partners also provide us referrals for which we pay a referral fee. We pay referral fees to channel partners and other third parties, which is typically 15% of the customer's ACV. The referral fees paid could vary depending on the level of activity the partner performs in the sales process. These fees are included in sales and marketing expense.

Professional services and other revenues. Professional services revenues consist of fees associated with the implementation and configuration of our subscription service. Our pricing for professional services are primarily on a time-and-materials basis. We generally invoice our professional services monthly in arrears based on actual hours and expenses incurred. Other revenues include primarily fees from customer training delivered on-site or publicly available classes, royalties from licensing training materials, attendance and sponsorship fees for our annual Knowledge user conference and other customer forums. Typical payment terms require our customers to pay us within 30 days of invoice.

Refer to "Critical Accounting Policies and Significant Judgments and Estimates" below for further discussion of our revenue recognition accounting policy.

Allocation of Overhead Costs

Overhead costs associated with office facilities, IT and certain depreciation related to non-cloud-based infrastructure are allocated to cost of revenues and operating expenses based on headcount. Facility costs associated with our data centers (included as part of data center capacity costs) as well as depreciation related to our cloud-based infrastructure hardware equipment are classified as cost of subscription revenues.

Cost of Revenues

Cost of subscription revenues. Cost of subscription revenues consists primarily of expenses related to hosting our services and providing support to our customers. These expenses are comprised of data center capacity costs, depreciation related to our cloud-based infrastructure hardware equipment, amortization of acquired developed technology intangibles, personnel related costs directly associated with our cloud-based infrastructure and customer support, including salaries, benefits, bonuses and stock-based compensation and allocated overhead.

Cost of professional services and other revenues. Cost of professional services and other revenues consists primarily of personnel related costs directly associated with our professional services and training departments, including salaries, benefits, bonuses and stock-based compensation, the costs of contracted third-party vendors and allocated overhead.

Professional services associated with the implementation and configuration of our subscription services are performed directly by our services team, as well as by contracted third-party vendors. Fees paid to third-party vendors are primarily recognized as cost of revenues as the professional services are delivered. Cost of revenues associated with our professional services engagements contracted with third-party vendors as a percentage of professional services and other revenues was 17%, 17% and 26% for the years ended December 31, 2014, 2013 and 2012, respectively.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel related expenses directly associated with our sales and marketing staff, including salaries, benefits, bonuses, commissions and stock-based compensation. Sales and marketing expenses also includes third-party referral fees, marketing and promotional events, including our annual Knowledge user conference, online marketing, product marketing and allocated overhead.

Research and Development Expenses

Research and development expenses consist primarily of personnel related expenses directly associated with our research and development staff, including salaries, benefits, bonuses and stock-based compensation and allocated overhead.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel related expenses for our executive, finance, legal, human resources and administrative personnel, including salaries, benefits, bonuses and stock-based compensation, external legal, accounting and other professional services fees, other corporate expenses and allocated overhead.

Provision for Income Taxes

The provision for income taxes consists of federal, state and foreign income taxes. Due to cumulative losses, we maintain a valuation allowance against our U.S. deferred tax assets as of December 31, 2014 and 2013. We consider all available evidence, both positive and negative, including but not limited to, earnings history, projected future outcomes, industry and market trends and the nature of each of the deferred tax assets in assessing the extent to which a valuation allowance should be applied against our U.S. deferred tax assets.

Results of Operations

To enhance comparability, the following table sets forth our results of operations for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Revenues:			
Subscription	\$ 567,217	\$ 349,804	\$ 204,526
Professional services and other	115,346	74,846	39,186
Total revenues	682,563	424,650	243,712
Cost of revenues⁽¹⁾:			
Subscription	142,687	87,928	63,258
Professional services and other	106,089	67,331	40,751
Total cost of revenues	248,776	155,259	104,009
Gross profit	433,787	269,391	139,703
Operating expenses⁽¹⁾:			
Sales and marketing	341,119	195,190	103,837
Research and development	148,258	78,678	39,333
General and administrative	96,245	61,790	34,117
Total operating expenses	585,622	335,658	177,287
Loss from operations	(151,835)	(66,267)	(37,584)
Interest and other income (expense), net	(23,705)	(4,930)	1,604
Loss before provision for income taxes	(175,540)	(71,197)	(35,980)
Provision for income taxes	3,847	2,511	1,368
Net loss	\$ (179,387)	\$ (73,708)	\$ (37,348)

(1) Stock-based compensation included in the statements of operations data above was as follows:

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Cost of revenues:			
Subscription	\$ 14,988	\$ 8,434	\$ 3,929
Professional services and other	13,116	4,749	1,574
Sales and marketing	54,006	21,609	10,189
Research and development	42,535	16,223	6,496
General and administrative	29,674	14,566	5,749

	Year Ended December 31,		
	2014	2013	2012
Revenues:			
Subscription	83 %	82 %	84 %
Professional services and other	17	18	16
Total revenues	100	100	100
Cost of revenues:			
Subscription	21	21	26
Professional services and other	16	16	17
Total cost of revenues	37	37	43
Gross profit	63	63	57
Operating expenses:			
Sales and marketing	50	46	42
Research and development	22	18	16
General and administrative	14	14	14
Total operating expenses	86	78	72
Loss from operations	(23)	(15)	(15)
Interest and other income (expense), net	(2)	(1)	1
Loss before provision for income taxes	(25)	(16)	(14)
Provision for income taxes	1	1	1
Net loss	(26)%	(17)%	(15)%

	Year Ended December 31,		
	2014	2013	2012
(in thousands)			
Revenues by geography			
North America	\$ 465,332	\$ 295,400	\$ 173,001
Europe	173,635	105,177	60,579
Asia Pacific and other	43,596	24,073	10,132
Total revenues	\$ 682,563	\$ 424,650	\$ 243,712

	Year Ended December 31,		
	2014	2013	2012
Revenues by geography			
North America	68%	69%	71%
Europe	26	25	25
Asia Pacific and other	6	6	4
Total revenues	100%	100%	100%

Comparison of the years ended December 31, 2014 and 2013

Revenues

	Year Ended December 31,		% Change
	2014	2013	
(dollars in thousands)			
Revenues:			
Subscription	\$ 567,217	\$ 349,804	62%
Professional services and other	115,346	74,846	54%
Total revenues	<u>\$ 682,563</u>	<u>\$ 424,650</u>	61%
Percentage of revenues:			
Subscription	83%	82%	
Professional services and other	17	18	
Total	<u>100%</u>	<u>100%</u>	

Subscription revenues increased \$217.4 million during the year ended December 31, 2014, compared to the prior year, driven by our upsells, renewals and an increase in our customer count. The number of deals with new ACV greater than \$1 million entered into during the years ended December 31, 2014 and 2013 were 36 and 14, respectively. We define new ACV as ACV from new customers and upsells to existing customers. The average new customer contract term were 34 months and 33 months for the years ended December 31, 2014 and 2013, respectively. The average upsell contract term and average renewal contract term remained at 24 months and 26 months, respectively, for the years ended December 31, 2014 and 2013. We calculate the average contract term for new customers, upsells, and renewals based on the term of those contracts entered into during the period weighted by their ACV. Revenues from our direct sales organization and channel partners represented 87% and 13%, respectively, for the year ended December 31, 2014 and 88% and 12%, respectively for the year ended December 31, 2013.

Professional services and other revenues increased \$40.5 million during the year ended December 31, 2014, compared to the prior year, due to an increase in the services provided to our growing customer base. In addition, revenues from our annual Knowledge user conference increased to \$8.2 million during the year ended December 31, 2014 compared to \$5.0 million in the prior year due to increased sponsorship and paid registrations in the current year.

Our annual total revenues per customer increased to approximately \$287,000 for the year ended December 31, 2014, compared to approximately \$238,000 for the year ended December 31, 2013. Our annual total revenues per customer is the sum of average quarterly revenues for the trailing four quarters. We calculate average quarterly revenues per customer by dividing the quarter's revenues by the average number of customers in the quarter. In the second quarter of 2014, we made a change to our calculation to improve the accuracy of our average revenues per customer. In this filing, we have used this updated calculation for each of the years ended December 31, 2014 and 2013. The change in methodology increased the annual total revenues per customer that we had disclosed in the prior year by 3%.

Cost of Revenues and Gross Profit Percentage

	Year Ended December 31,		% Change
	2014	2013	
(dollars in thousands)			
Cost of revenues:			
Subscription	\$ 142,687	\$ 87,928	62%
Professional services and other	106,089	67,331	58%
Total cost of revenues	<u>\$ 248,776</u>	<u>\$ 155,259</u>	60%
Gross profit percentage:			
Subscription	75%	75%	
Professional services and other	8%	10%	
Total gross profit percentage	63%	63%	
Gross profit:	\$ 433,787	\$ 269,391	61%
Headcount (at period end)			
Subscription	478	341	40%
Professional services and other	416	295	41%
Total headcount	<u>894</u>	<u>636</u>	41%

Cost of subscription revenues increased \$54.8 million during the year ended December 31, 2014, compared to the prior year, primarily due to increased headcount resulting in an increase of \$22.9 million in personnel related costs excluding stock-based compensation, an increase of \$6.6 million in stock-based compensation, an increase of \$6.3 million in depreciation expense primarily due to purchases of cloud-based infrastructure hardware equipment for our data centers and an increase of \$4.4 million in other overhead expenses. Data center capacity costs increased \$5.4 million primarily due to the expansion of our data centers. Amortization of intangible assets increased \$5.4 million as a result of the acquisition of Neebula Systems, Ltd., or Neebula, in July 2014.

Our subscription gross profit percentage was 75% for each of the years ended December 31, 2014 and 2013. We expect our cost of subscription revenues to increase in absolute dollar terms as we provide subscription services to more customers and increase the number of users within our customer instances, but we expect such increase to be at a slower rate than the increase in our subscription revenue, leading to a slight increase in our subscription gross profit percentage for the year ended December 31, 2015 as we continue to leverage the investments we have made in our existing data center infrastructure. To the extent future acquisitions are consummated, our cost of subscription revenues may increase due to additional non-cash charges associated with the amortization of intangible assets acquired.

We expect to incur a GAAP loss for the year ended December 31, 2015, due to increased costs such as non-cash charges associated with equity awards and business combinations and other expenses.

Cost of professional services and other revenues increased \$38.8 million during the year ended December 31, 2014 as compared to the prior year, primarily due to increased headcount resulting in an increase of \$21.6 million in personnel related costs excluding stock-based compensation, an increase of \$8.4 million in stock-based compensation, an increase of \$3.2 million in overhead expenses, and an increase of \$6.0 million in contracted third-party vendor costs.

Our professional services and other gross profit percentage decreased to 8% during the year ended December 31, 2014 compared to 10% in the prior year due to increased stock-based compensation. The decrease in gross profit percentage was partially offset by the increase in revenues from our annual Knowledge user conference. Costs associated with Knowledge are included in sales and marketing expense. Knowledge contributed \$8.2 million, or 7 percentage points to the professional services and other gross profit percentage for the year ended December 31, 2014. Knowledge contributed \$5.0 million in revenue, or 6 percentage points to the professional services and other gross profit percentage for the year ended December 31, 2013. We expect our gross profit percentage from professional services and other to remain relatively flat for the year ended December 31, 2015.

Sales and Marketing

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
Sales and marketing	\$ 341,119	\$ 195,190	75%
Percentage of revenues	50%	46%	
Headcount (at period end)	1,011	615	64%

Sales and marketing expenses increased \$145.9 million during the year ended December 31, 2014, compared to the prior year, primarily due to increased headcount that resulted in an increase of \$67.5 million in personnel related costs excluding stock-based compensation, an increase of \$32.4 million in stock-based compensation, an increase of \$8.6 million in overhead expenses, and an increase of \$21.6 million in commission expense. Commissions and referral fee expenses amounted to 10% of subscription revenues for the years ended December 31, 2014 and 2013.

In addition, expenses related to our annual Knowledge user conference increased \$7.0 million, from \$8.3 million for the year ended December 31, 2013 to \$15.3 million for the year ended December 31, 2014, due to an increase in attendance of more than 50% year-over-year. All other marketing program expenses, which include events, advertising and market data, increased \$6.1 million for the year ended December 31, 2014 compared to the prior year.

We expect sales and marketing expenses to increase for the year ended December 31, 2015 in absolute dollar terms, but remain relatively flat as a percentage of total revenues as we continue to expand our direct sales force, increase our marketing activities, grow our international operations, build brand awareness and sponsor additional marketing events.

Research and Development

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
Research and development	\$ 148,258	\$ 78,678	88%
Percentage of revenues	22%	18%	
Headcount (at period end)	585	352	66%

Research and development expenses increased \$69.6 million during the year ended December 31, 2014, compared to the prior year, primarily due to increased headcount which resulted in an increase of \$34.9 million in personnel related costs excluding stock-based compensation, an increase of \$26.3 million in stock-based compensation and an increase of \$6.7 million in overhead expenses.

We expect research and development expenses to increase for the year ended December 31, 2015 in absolute dollar terms, but remain flat as a percentage of total revenues as we continue to improve the existing functionality of our services, develop new applications to fill market needs and continue to enhance our core platform.

General and Administrative

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
General and administrative	\$ 96,245	\$ 61,790	56%
Percentage of revenues	14%	14%	
Headcount (at period end)	336	227	48%

General and administrative expenses increased \$34.5 million during the year ended December 31, 2014, compared to the prior year, primarily due to increased headcount which resulted in an increase of \$10.3 million in personnel related costs excluding stock-based compensation, an increase of \$15.1 million in stock-based compensation and an increase of \$3.0 million in overhead expenses. Outside services increased \$4.5 million primarily due to an increase in legal fees associated with our litigation, an increase in the number of contractors to support our administrative functions and costs associated with the acquisition of Neebula.

We expect general and administrative expenses to increase for the year ended December 31, 2015 in absolute dollar terms as we continue to hire people and incur costs associated with our litigation, but to decrease as a percentage of total revenues as we continue to grow.

Stock-based Compensation

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
Cost of revenues:			
Subscription	\$ 14,988	\$ 8,434	78%
Professional services and other	13,116	4,749	176%
Sales and marketing	54,006	21,609	150%
Research and development	42,535	16,223	162%
General and administrative	29,674	14,566	104%
Total stock-based compensation	\$ 154,319	\$ 65,581	135%
Percentage of revenues	23%	15%	

Stock-based compensation increased \$88.7 million during the year ended December 31, 2014, compared to the prior year, primarily due to increased headcount, an increase in the weighted-average grant date fair value of stock awards, and performance RSUs granted to our executives in the current year. The new equity incentive awards granted in the current year, including the performance RSUs, resulted in an increase of \$75.1 million in stock-based compensation. The weighted-average grant date exercise price per stock option share was \$61.40 and \$38.07 for the year ended December 31, 2014 and 2013, respectively. The weighted-average grant date fair value per restricted stock unit was \$61.13 and \$38.15 for the year ended December 31, 2014 and 2013, respectively.

In addition, stock-based compensation increased \$19.9 million related to equity incentive awards granted in the prior year, for which a partial year of expense was recognized in the prior year and \$2.4 million related to increased participation in our employee stock purchase plan. The increase in stock-based compensation was partially offset by stock awards forfeited in the current year and stock awards fully vesting in the current year.

Stock-based compensation is inherently difficult to forecast due to fluctuations in our stock price and the uncertainty around the achievement of performance criteria associated with our performance RSUs. We expect stock-based compensation to continue to increase for the year ended December 31, 2015 in absolute dollar terms and as a percentage of total revenues.

We expect to incur a GAAP loss for the year ended December 31, 2015, due to increased costs such as non-cash charges associated with equity awards and business combinations and other expenses.

Interest and Other Income (Expense), net

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
Interest expense related to the Notes	\$ (29,059)	\$ (3,498)	731 %
Interest income	2,964	1,053	181 %
Foreign currency exchange gain/(loss)	2,490	(2,493)	(200)%
Other	(100)	8	NM
Interest and other income/(expense), net	<u>\$ (23,705)</u>	<u>\$ (4,930)</u>	NM
Percentage of revenues	(2)%	(1)%	

Interest and other expense, net, increased \$18.8 million during the year ended December 31, 2014, compared to the prior year, primarily due to a \$25.6 million increase in amortization expense of debt discount and issuance costs related to our convertible senior notes (the "Notes") issued in November 2013, partially offset by a gain from foreign currency transactions and increased interest income. We had a foreign currency transaction gain of \$2.5 million for the year ended December 31, 2014, compared to a loss of \$2.5 million for the prior year, primarily due to the strengthening of the U.S. Dollar against other major currencies and an increase in our foreign operations. Interest income increased \$1.9 million due to the higher investment balances during the year ended December 31, 2014 compared to the prior year. During the year ended December 31, 2015, we expect to incur approximately \$31.1 million in amortization expense of debt discount and issuance costs related to the Notes. Our expanding international operations will continue to increase our exposure to currency risks, though we cannot presently predict the impact of this exposure on our consolidated financial statements.

While we have not engaged in the hedging of our foreign currency transactions to date, we are presently evaluating the costs and benefits of initiating such a program and may hedge selected significant transactions denominated in currencies other than the U.S. dollar in the future.

Provision for Income Taxes

	Year Ended December 31		% Change
	2014	2013	
	(dollars in thousands)		
Loss before income taxes	\$ (175,540)	\$ (71,197)	147%
Provision for income taxes	3,847	2,511	53%
Effective tax rate	(2)%	(4)%	

Our effective tax rate was (2)% for the year ended December 31, 2014 compared to (4)% for the prior year. Our tax expense increased \$1.3 million during the year ended December 31, 2014, compared to the prior year, primarily due to a higher proportion of taxable earnings in foreign jurisdictions. See Note 16 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, for our reconciliation of income taxes at the statutory federal rate to the provision for income taxes.

We continue to maintain a full valuation allowance on our U.S. federal and state deferred tax assets, and the significant components of the tax expense recorded are current cash taxes in various jurisdictions. The cash tax expenses are impacted by each jurisdiction's individual tax rates, laws on timing of recognition of income and deductions, and availability of net operating losses and tax credits. Given the full valuation allowance, sensitivity of current cash taxes to local rules and our foreign structuring, we expect our effective tax rate could fluctuate significantly on a quarterly basis and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates. We consider the earnings of our foreign subsidiaries to be indefinitely reinvested outside of the United States.

Comparison of the years ended December 31, 2013 and 2012

Revenues

	Year Ended December 31,		% Change
	2013	2012	
(dollars in thousands)			
Revenues:			
Subscription	\$ 349,804	\$ 204,526	71%
Professional services and other	74,846	39,186	91%
Total revenues	<u>\$ 424,650</u>	<u>\$ 243,712</u>	74%
Percentage of revenues:			
Subscription	82%	84%	
Professional services and other	18	16	
Total	<u>100%</u>	<u>100%</u>	

Subscription revenues increased \$145.3 million during the year ended December 31, 2013, compared to the prior year, driven by our upsells, renewals and an increase in our customer count. Our upsell rate and renewal rate for the trailing twelve months ending December 31, 2013 were 31% and 96%, respectively, compared to 30% and 97%, respectively, for the trailing twelve months ending December 31, 2012. Total customer count at December 31, 2013 was 2,061 compared to 1,512 at December 31, 2012, an increase of 36%. Revenues from our direct sales organization and channel partners represented 88% and 12%, respectively, for the years ended December 31, 2013 and 2012.

Professional services and other revenues increased \$35.7 million during the year ended December 31, 2013, compared to the prior year, due to an increase in the services provided to our growing customer base, increase in utilization and improvements in pricing of our professional services engagements. In addition, revenues from our annual Knowledge user conference increased to \$5.0 million during the year ended December 31, 2013 compared to \$2.0 million in the prior year due to increased sponsorship and paid registrations.

Our annual total revenues per customer increased to approximately \$238,000 for the year ended December 31, 2013, compared to approximately \$199,000 for the year ended December 31, 2012. Our annual total revenues per customer is the sum of average quarterly revenues for the trailing four quarters. We calculate average quarterly revenues per customer by dividing the quarter's revenues by the average number of customers in the quarter. In the second quarter of 2014, we made a change to our calculation to improve the accuracy of our average revenues per customer. In this filing, we have used this updated calculation for each of the years ended December 31, 2013 and 2012. The change in methodology increased the annual total revenues per customer that we had disclosed in the prior year by 5%.

Cost of Revenues and Gross Profit (Loss) Percentage

	Year Ended December 31,		% Change
	2013	2012	
	(dollars in thousands)		
Cost of revenues:			
Subscription	\$ 87,928	\$ 63,258	39%
Professional services and other	67,331	40,751	65%
Total cost of revenues	\$ 155,259	\$ 104,009	49%
Gross profit (loss) percentage:			
Subscription	75%	69%	
Professional services and other	10%	(4)%	
Total gross profit percentage	63%	57%	
Gross profit:	\$ 269,391	\$ 139,703	93%
Headcount (at period end)			
Subscription	341	218	56%
Professional services and other	295	183	61%
Total headcount	636	401	59%

Cost of subscription revenues increased \$24.7 million during the year ended December 31, 2013, compared to the prior year, primarily due to increased headcount resulting in an increase of \$14.6 million in personnel related costs excluding stock-based compensation, an increase of \$4.5 million in stock-based compensation, an increase of \$4.7 million in depreciation expense primarily due to purchases of cloud-based infrastructure hardware equipment for our data centers and an increase of \$2.7 million in other overhead expenses. Data center capacity costs decreased \$1.8 million primarily due to the migration of customers from our managed service data centers to our co-location data centers.

Our subscription gross profit percentage was 75% for the year ended December 31, 2013 compared to 69% for the prior year.

Cost of professional services and other revenues increased \$26.6 million during the year ended December 31, 2013 as compared to the prior year primarily due to increased headcount resulting in an increase of \$17.3 million in personnel related costs excluding stock-based compensation, an increase of \$3.2 million in stock-based compensation, an increase of \$2.1 million in overhead expenses, and an increase of \$3.7 million in outside services costs.

Our professional services and other gross profit (loss) percentage increased to 10% during the year ended December 31, 2013 compared to (4)% in the prior year due to improved scoping and pricing on customer engagements, better resource utilization and an increase in revenues from our annual Knowledge user conference which contributed six percentage points to the professional services and other gross profit percentage for each of the years ended December 31, 2013 and 2012. All related expenses from our annual Knowledge user conference are recorded in sales and marketing.

Sales and Marketing

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
Sales and marketing	\$ 195,190	\$ 103,837	88%
Percentage of revenues	46%	42%	
Headcount (at period end)	615	350	76%

Sales and marketing expenses increased \$91.4 million during the year ended December 31, 2013 as compared to the prior year, primarily due to increased headcount that resulted in an increase of \$45.2 million in personnel related costs excluding stock-based compensation, an increase of \$11.4 million in stock-based compensation, an increase of \$5.2 million in overhead expenses and an increase of \$17.5 million in commissions expense. Commissions increased primarily due to growth in bookings and current year changes to our commission plans that place more emphasis on achieving quarterly targets and allow for participants in the plan to increase their compensation at a higher rate for exceeding their annual targets. Commissions and referral fees amounted to 10% and 8% of subscription revenues for the years ended December 31, 2013 and 2012, respectively. Marketing and event expenses increased \$10.7 million, which included a \$4.7 million increase in expenses related to our annual Knowledge user conference due to attendance more than doubling compared to the prior year.

Research and Development

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
Research and development	\$ 78,678	\$ 39,333	100%
Percentage of revenues	18%	16%	
Headcount (at period end)	352	200	76%

Research and development expenses increased \$39.3 million during the year ended December 31, 2013 as compared to the prior year, primarily due to increased headcount which resulted in an increase of \$23.9 million in personnel related costs excluding stock-based compensation, an increase of \$9.7 million in stock-based compensation, an increase of \$4.0 million in overhead expenses and an increase of \$1.5 million in outside services related to increased use of consultants.

General and Administrative

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
General and administrative	\$ 61,790	\$ 34,117	81%
Percentage of revenues	14%	16%	
Headcount (at period end)	227	126	80%

General and administrative expenses increased \$27.7 million during the year ended December 31, 2013 as compared to the prior year, primarily due to increased headcount which resulted in an increase of \$13.4 million in personnel related costs excluding stock-based compensation, an increase of \$8.8 million in stock-based compensation and an increase of \$2.8 million in overhead expenses. Outside services increased \$2.9 million primarily due to our international expansion and the acquisition of Mirror42 Holding B.V. The increase is also related to costs associated with our first full year of being a public company.

Stock-based Compensation

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
Cost of revenues:			
Subscription	\$ 8,434	\$ 3,929	115%
Professional services and other	4,749	1,574	202%
Sales and marketing	21,609	10,189	112%
Research and development	16,223	6,496	150%
General and administrative	14,566	5,749	153%
Total stock-based compensation	\$ 65,581	\$ 27,937	135%
Percentage of revenues	15%	11%	

Stock-based compensation increased \$37.6 million during the year ended December 31, 2013, compared to the prior year, primarily due to increased headcount and an increase in the weighted-average grant date fair value of stock awards. The new equity incentive awards granted in the year ended December 31, 2013 resulted in an increase of \$29.0 million in stock-based compensation. The weighted-average grant date exercise price per stock option share was \$38.07 and \$15.03 for the year ended December 31, 2013 and 2012, respectively. The weighted-average grant date fair value per restricted stock unit was \$38.15 and \$17.02 for the year ended December 31, 2013 and 2012, respectively.

In addition, stock-based compensation increased \$7.4 million related to equity incentive awards granted in the prior year, for which a partial year of expenses was recognized in the prior year and \$2.7 million related to our employee purchase plan which became effective on June 28, 2012. The increase in stock-based compensation was partially offset by stock awards forfeited in the current year and stock awards fully vesting in the current year.

Interest and Other Income (Expense), net

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
Interest expense related to the Notes	\$ (3,498)	\$ —	NM
Interest income	1,053	351	200 %
Foreign currency exchange gain/(loss)	(2,493)	1,067	(334)%
Other	8	186	(96)%
Interest and other income/(expense), net	<u>\$ (4,930)</u>	<u>\$ 1,604</u>	NM
Percentage of revenues	(1)%	1%	

Interest and other income, net, decreased \$6.5 million during the year ended December 31, 2013 as compared to the prior year, primarily due to a loss from foreign currency transactions and \$3.5 million in amortization expense of debt discount and issuance costs related to our Notes issued in November 2013. We had a foreign currency transaction loss of \$2.5 million for the year ended December 31, 2013 as compared to a gain of \$1.1 million for the prior year, primarily due to the strengthening of the Euro against other major currencies and an increase in our foreign operations. The decrease was partially offset by an increase of \$0.7 million in interest income due to the higher investment balances during the year ended December 31, 2013 compared to the prior year.

Provision for Income Taxes

	Year Ended December 31		% Change
	2013	2012	
	(dollars in thousands)		
Loss before income taxes	\$ (71,197)	\$ (35,980)	98%
Provision for income taxes	2,511	1,368	84%
Effective tax rate	(4)%	(4)%	

Our effective tax rate remained at (4)% during the years ended December 31, 2013 and 2012. Our tax expense increased \$1.1 million during the year ended December 31, 2013 as compared to the prior year due to a higher proportion of earnings in foreign jurisdictions with high statutory tax rates, a higher loss from U.S. operations, the tax effect of acquired companies, and the issuance of the Notes. See Note 16 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for our reconciliation of income taxes at the statutory federal rate to the provision for income taxes.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statements of operations. We have prepared the quarterly data on a consistent basis with the audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	For the Three Months Ended							
	Dec 30, 2014	Sep 30, 2014	June 30, 2014	March 31, 2014	Dec 30, 2013	Sep 30, 2013	June 30, 2013	March 31, 2013
(in thousands, except per share data)								
Revenues:								
Subscription	\$ 166,751	\$ 150,367	\$ 132,724	\$ 117,375	\$ 104,878	\$ 92,992	\$ 80,376	\$ 71,558
Professional services and other	31,253	28,345	34,033	21,715	20,352	18,267	21,846	14,381
Total revenues	198,004	178,712	166,757	139,090	125,230	111,259	102,222	85,939
Cost of revenues:								
Subscription	40,330	37,925	33,243	31,189	25,968	23,429	20,219	18,312
Professional services and other	30,308	28,161	25,695	21,925	19,410	18,146	15,779	13,996
Total cost of revenues	70,638	66,086	58,938	53,114	45,378	41,575	35,998	32,308
Gross profit	127,366	112,626	107,819	85,976	79,852	69,684	66,224	53,631
Operating expenses:								
Sales and marketing	95,764	84,002	91,937	69,416	57,337	47,336	52,291	38,226
Research and development	42,026	39,683	35,439	31,110	23,869	20,819	17,951	16,039
General and administrative	26,260	23,440	24,914	21,631	18,007	16,179	15,325	12,279
Total operating expenses	164,050	147,125	152,290	122,157	99,213	84,334	85,567	66,544
Loss from operations	(36,684)	(34,499)	(44,471)	(36,181)	(19,361)	(14,650)	(19,343)	(12,913)
Interest and other income (expense), net	(6,562)	(5,949)	(5,231)	(5,963)	(4,326)	600	(1,323)	119
Loss before provision for income taxes	(43,246)	(40,448)	(49,702)	(42,144)	(23,687)	(14,050)	(20,666)	(12,794)
Provision for income taxes	1,417	602	661	1,167	545	663	739	564
Net loss	\$ (44,663)	\$ (41,050)	\$ (50,363)	\$ (43,311)	\$ (24,232)	\$ (14,713)	\$ (21,405)	\$ (13,358)
Net loss attributable to common stockholders - basic and diluted	\$ (44,663)	\$ (41,050)	\$ (50,363)	\$ (43,311)	\$ (24,232)	\$ (14,713)	\$ (21,405)	\$ (13,358)
Net loss per share attributable to common stockholders - basic and diluted	\$ (0.30)	\$ (0.28)	\$ (0.35)	\$ (0.30)	\$ (0.17)	\$ (0.11)	\$ (0.16)	\$ (0.10)

Seasonality, Cyclicity and Quarterly Trends

We have historically experienced seasonality in terms of when we enter into customer agreements for our services. We sign a significantly higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the quarter ended December 31. The increase in customer agreements for the quarter ended December 31 is primarily a result of the terms of our commission plans to incentivize our direct sales force to meet their quotas by December 31 and large enterprise account buying patterns typical in the software industry. Furthermore, we usually sign a significant portion of these agreements during the last month, and often the last two weeks, of each quarter. This seasonality is reflected to a much lesser extent, and sometimes is not immediately apparent, in our revenues, due to the fact that we recognize subscription revenues over the term of the license agreement, which is generally 12 to 36 months. Although these seasonal factors are common in the technology industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

Our revenues have increased over the periods presented due to increased sales to new customers, as well as upsells to existing customers. We have historically seen an increase in professional services and other revenues in the quarter ended June 30, and a corresponding decrease in professional services and other revenues in the quarter ended September 30 due to the revenues earned from our annual Knowledge user conference that occurs in the quarter ended June 30. Our operating expenses have increased over the periods presented primarily due to increases in headcount and other related expenses to support our growth. We have historically seen an increase in marketing expenses in the quarter ended June 30, and a corresponding decrease in marketing expenses in the quarter ended September 30 due to the expenses incurred for our annual Knowledge user conference. We anticipate operating expenses will continue to increase in future periods as we continue to focus on investing in the long-term growth of our business.

Liquidity and Capital Resources

	Year Ended December 31,		
	2014	2013	2012
	(dollars in thousands)		
Net cash provided by operating activities	\$ 138,900	\$ 81,746	\$ 48,766
Net cash used in investing activities	(316,928)	(402,795)	(239,149)
Net cash provided by financing activities	70,772	568,570	241,839
Net increase (decrease) in cash and cash equivalents, net of impact of exchange rates on cash	(113,848)	247,314	50,901

Our principal sources of liquidity are our cash and cash equivalents, investments, and cash generated from operations. As of December 31, 2014, we had \$668.8 million in cash and cash equivalents and short-term investments, of which \$78.4 million represented cash located overseas. In addition, we had \$266.8 million in long-term investments which provide additional capital resources.

In November 2013, we issued Notes with an aggregate principal amount of \$575.0 million and concurrently entered into a hedge, or Note Hedge, and warrant transaction, or Warrants. The net proceeds of this debt issuance are being used for general corporate purposes, including potential acquisitions and strategic transactions. The Warrants are exercisable at a strike price of \$107.46 per share. Upon conversion of the Notes, we may choose to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock. As of December 31, 2014, the Notes were not convertible.

We anticipate our current cash and cash equivalents balance and cash generated from operations will be sufficient to meet our liquidity needs including the expansion of data centers, lease obligations, expenditures related to the growth of our headcount and the acquisition of fixed assets and investments in office facilities to accommodate our growth for at least the next 12 months. Whether these resources are adequate to meet our liquidity needs beyond that period will depend on our growth, operating results, cash utilized for acquisitions, if any are consummated, and the capital expenditures required to meet possible increased demand for our services. If we require additional capital resources to grow our business at any time in the future, we may seek to finance our operations from the current funds available or seek additional equity or debt financing.

Operating Activities

Cash provided by operating activities mainly consists of net income adjusted for certain non-cash items, including depreciation and amortization, amortization of issuance cost and debt discount, stock-based compensation, tax benefits from employee stock plans and changes in operating assets and liabilities during the year.

Net cash provided by operating activities was \$138.9 million for the year ended December 31, 2014 compared to \$81.7 million for the prior year. The increase in operating cash flow was primarily due to an increased net loss offset by a substantial increase in non-cash adjustments to reconcile net loss to net cash provided by operations and the favorable impact on operating cash flow from changes in operating assets and liabilities. Net cash flow from the aggregate of changes in accounts receivable, deferred commissions and deferred revenue increased due to increased sales for the year ended December 31, 2014. The increase was partially offset by a decrease in net cash flows from the aggregate of changes in accrued liabilities, accounts payable and prepaid expenses due to the growth of our business and increased headcount of 54% for the year ended December 31, 2014.

Net cash provided by operating activities was \$81.7 million for the year ended December 31, 2013 compared to \$48.8 million for the prior year. The increase in operating cash flow was primarily due to an increased net loss offset by a substantial increase in non-cash adjustments to reconcile net loss to net cash provided by operations and the favorable impact on operating cash flow from changes in operating assets and liabilities. Net cash flow from the aggregate of changes in accounts receivable, deferred commissions and deferred revenue increased due to increased sales for the year ended December 31, 2013. The increase was offset by a decrease in net cash flows from the aggregate of changes in accrued liabilities, accounts payable and prepaid expenses due to the growth of our business and increased headcount of 70% for the year ended December 31, 2013.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2014 was \$316.9 million compared to \$402.8 million for the prior year. The decrease in cash used in investing activities was mainly due to a decrease in the net purchases of investments of \$171.3 million. The decrease was offset by an increase of \$86.5 million in acquisition activity due to the Neebula acquisition in 2014.

Net cash used in investing activities for the year ended December 31, 2013 was \$402.8 million compared to \$239.1 million for the prior year. The increase in cash used in investing activities was mainly due to increases in the net purchases of investments of \$136.8 million and capital expenditures of \$13.3 million related to the purchase of cloud-based infrastructure hardware equipment to support the expansion of our data centers as well as investments in leasehold improvements, furniture and equipment to support our headcount growth. Additionally, in 2013 we paid \$13.3 million for the acquisition of Mirror42 Holding B.V.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2014 was \$70.8 million compared to \$568.6 million for the prior year. The decrease in cash provided by financing activities was primarily due to net proceeds of \$511.7 million from issuance of the Notes and Warrants and purchase of the Note Hedge in 2013. The decrease was offset by \$13.2 million increase in proceeds from the exercise of employee stock options and the Employee Stock Purchase Plan, or ESPP and related tax benefit.

Net cash provided by financing activities for the year ended December 31, 2013 was \$568.6 million compared to \$241.8 million for the prior year. The increase in cash provided by financing activities was primarily due to net proceeds of \$511.7 million from issuance of the Notes and Warrants and purchase of the Note Hedge, and \$38.8 million increase in proceeds from exercise of employee stock options and \$13.2 million proceeds from our ESPP. For the year ended December 31, 2012, we received \$169.8 million net proceeds from our IPO, \$50.6 million net proceeds from our follow-on offering, and \$17.8 million net proceeds from the issuance of common stock.

Contractual Obligations and Commitments

Contractual obligations represent future cash commitments and liabilities under agreements with third parties, and exclude orders for goods and services entered into in the normal course of business that are not enforceable or legally binding.

The following table represents our known contractual obligations as of December 31, 2014, aggregated by type:

<u>Contractual Obligations</u>	<u>Payments Due by Period</u>				
	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1 – 3 Years</u>	<u>3 – 5 Years</u>	<u>More Than 5 Years</u>
	(in thousands)				
Operating leases:					
Data centers ⁽¹⁾	\$ 20,009	\$ 9,561	\$ 9,186	\$ 1,238	\$ 24
Facilities space ⁽²⁾	263,563	15,511	52,872	51,337	143,843
Convertible Senior Notes	575,000	—	—	575,000	—
Other	4,876	297	1,018	1,018	2,543
Total contractual obligations	<u>\$ 863,448</u>	<u>\$ 25,369</u>	<u>\$ 63,076</u>	<u>\$ 628,593</u>	<u>\$ 146,410</u>

(1) Operating leases for data centers represent our principal commitment for co-location facilities for data center capacity.

(2) Operating leases for facilities space represent our principal commitments, which consists of obligations under office space leases.

In addition to the obligations in the table above, approximately \$2.9 million of unrecognized tax benefits have been recorded as liabilities as of December 31, 2014. It is uncertain as to if or when such amounts may be settled. We have also recorded a liability for potential penalties of \$0.2 million and interest of \$0.2 million related to these unrecognized tax benefits.

Off-Balance Sheet Arrangements

During all periods presented, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to 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. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions and such differences could be material.

While our significant accounting policies are more fully described in Note 2 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our audited consolidated financial statements.

Revenue Recognition

We derive our revenues from two sources: (i) subscriptions and (ii) professional services and other. Subscription revenues are primarily comprised of subscription fees that give customers access to the ordered subscription service, related support and updates to the subscribed service during the subscription term.

Our contracts typically do not give the customer the right to take possession of the software supporting the services. Professional services and other revenues consist of fees associated with the implementation and configuration of our services.

Professional services and other revenues also include customer training and attendance and sponsorship fees for Knowledge, our annual user conference.

We commence revenue recognition when all of the following conditions are met:

- There is persuasive evidence of an arrangement;
- The service has been provided to the customer;
- The collection of related fees is reasonably assured; and
- The amount of fees to be paid by the customer is fixed or determinable.

We use a signed contract together with a signed order form or a purchase order, as evidence of an arrangement for a new customer. In subsequent transactions with an existing customer, including an upsell or a renewal, we consider the existing signed contract and either the new signed order form or new purchase order as evidence of an arrangement.

We recognize subscription revenues ratably over the contract term beginning on the commencement date of each contract, the date we make our services available to our customers. Once our services are available to customers, we record amounts due in accounts receivable and in deferred revenue. We price professional services primarily on a time-and-materials basis and recognize professional services revenues as the services are delivered using a proportional performance model. Such services are delivered over a short period of time. In instances where final acceptance of the services are required before revenues are recognized, we defer professional services revenues and the associated costs until all acceptance criteria have been met.

We assess collectibility based on a number of factors such as past collection history with the customer and creditworthiness of the customer. If we determine collectibility is not reasonably assured, we defer revenue recognition until collectibility becomes reasonably assured. We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment. Our arrangements do not include general rights of return.

We have multiple element arrangements comprised of subscription fees and professional services. We account for subscription and professional services revenues as separate units of accounting. To qualify as a separate unit of accounting, the delivered item must have value to the customer on a standalone basis. We have concluded that our subscription service has standalone value as it is routinely sold separately by us. In addition, the applications offered through this subscription service are fully functional without any additional development, modification or customization. We provide customers access to our subscription service at the beginning of the contract term. In determining whether professional services have standalone value, we considered the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the timing of when the professional services contract was signed in comparison to the subscription service start date and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. Our professional services, including implementation and configuration services, are not so unique and complex that other vendors cannot provide them. In some instances, customers independently contract with third-party vendors to do the implementation and we regularly outsource implementation services to contracted third-party vendors. As a result, we concluded professional services, including implementation and configuration services, have standalone value.

We determine the selling price of each deliverable in the arrangement using the selling price hierarchy. Under the selling price hierarchy, the selling price for each deliverable is determined using vendor-specific objective evidence, or VSOE, of selling price or third-party evidence, or TPE, of selling price if VSOE does not exist. If neither VSOE nor TPE of selling price exists for a deliverable, the selling price is determined using the best estimate of selling price, or BEASP. The selling price for each unit of accounting is based on the BEASP since VSOE and TPE are not available for our subscription service or professional services and other. The BEASP for each deliverable is determined primarily by considering the historical selling price of these deliverables in similar transactions as well as other factors, including, but not limited to, market competition, review of stand-alone sales and current pricing practices. In determining the appropriate pricing structure, we consider the extent of competitive pricing of similar products and marketing analysis. The total arrangement fee for these multiple element arrangements is then allocated to the separate units of accounting based on the relative selling price. The BEASP for our subscription service is based upon the historical selling price of these deliverables.

In limited circumstances, we grant certain customers the right to deploy our subscription service on the customers' own servers without significant penalty. These arrangements are subject to software revenue recognition guidance since the customer deploys our software. We have analyzed all of the elements in these particular multiple element arrangements and determined that we do not have sufficient VSOE of fair value to allocate revenue to our subscription service and professional services. Consequently, we defer all revenue and related costs under the arrangement until the last element in the transaction has been delivered or started to be delivered. Once the subscription service and the professional services have commenced, we recognize the entire fee and related costs from the arrangement ratably over the remaining period of the arrangement.

Deferred revenue consists primarily of payments received in advance of revenue recognition for our subscriptions and professional services and other revenues and is recognized as the revenue recognition criteria are met.

Deferred Commissions

Deferred commissions are the incremental selling costs that are directly associated with our customer contracts and consist of sales commissions paid to our direct sales force and referral fees paid to independent third-parties. The majority of commissions and referral fees are deferred and amortized on a straight-line basis over the non-cancelable terms of the related customer contracts. We include amortization of deferred commissions in sales and marketing expense in the consolidated statements of comprehensive loss. We believe this is the preferable method of accounting as the commission charges are so closely related to the revenue from the customer contracts that they should be recorded as an asset and charged to expense over the same period that the revenue is recognized.

Goodwill, Intangible Assets and Other Long Lived Assets

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. We evaluate and test the recoverability of goodwill for impairment at least annually, during our fourth quarter, or more frequently if circumstances indicate that goodwill may not be recoverable. We perform the impairment testing by first assessing qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of its reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, we determine it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we perform a two-step impairment test. The first step requires the identification of the reporting units and comparison of the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the second step of the impairment test is performed to compute the amount of the impairment. Under the second step, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. We have determined that we have only one reporting unit. We did not recognize any impairment charges related to goodwill during the years ended December 31, 2014 and 2013.

Intangible assets are amortized over their useful lives ranging from 18 months to seven years. Each period we evaluate the estimated remaining useful life of purchased intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization. We periodically review the carrying amounts of these assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. We measure the recoverability of these assets by comparing the carrying amount of each asset to the future undiscounted cash flows we expect the asset to generate. If we consider any of these assets to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair value.

Screening for and assessing whether impairment indicators exist or if events or changes in circumstances have occurred, including market conditions, operating fundamentals, competition and general economic conditions, requires significant judgment. Additionally, changes in the technology industry occur frequently and quickly. Therefore, there can be no assurance that a charge to operating expenses will not occur as a result of future goodwill, intangible assets and other long-lived assets impairment tests.

Stock-based Compensation

We recognize compensation expense related to stock options and restricted stock units, or RSUs, on a straight-line basis over the requisite service period, which is generally the vesting term of four years. For RSUs granted with a performance condition, the expenses are recognized on a graded vesting basis over the vesting period, after assessing the probability of achieving requisite performance criteria. This has the impact of greater stock-based compensation expense during the initial years of the vesting period as stock-based compensation cost is recognized over the requisite service period for each separately vesting tranche of the award as though the award were, in substance, multiple awards. We recognize compensation expense related to shares issued pursuant to the ESPP, on a straight-line basis over the offering period. We estimate the fair value of options using the Black-Scholes options pricing model and fair value of RSU awards using the fair value of our common stock on the date of grant. We recognize compensation expense net of estimated forfeiture activity, which is based on historical forfeiture rates. We evaluate the forfeiture rates at least annually, or when events or circumstances indicate a change may be needed. This may cause a fluctuation in our stock-based compensation in the period of change.

Income Taxes

We use the asset and liability method of accounting for income taxes, in which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. We recognize the effect on deferred tax assets and liabilities of a change in tax rates as income and expense in the period that includes the enactment date. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. In determining the need for a valuation allowance, we consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law, carry-forward periods, and prudent and feasible tax planning strategies.

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. We recognize the tax benefit of an uncertain tax position only if it is more likely than not the position is sustainable upon examination by the taxing authority, based on the technical merits. We measure the tax benefit recognized as the largest amount of benefit which is more likely than not to be realized upon settlement with the taxing authority. We recognize interest accrued and penalties related to unrecognized tax benefits in our tax provision. Significant judgment is required to evaluate uncertain tax positions. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law or guidance, correspondence with tax authorities during the course of audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our income tax expense in the period in which we make the change, which could have a material impact on our effective tax rate and operating results.

We calculate the current and deferred income tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years and record adjustments based on filed income tax returns when identified. The amount of income taxes paid is subject to examination by U.S. federal, state and foreign tax authorities. The estimate of the potential outcome of any uncertain tax issue is subject to management's assessment of relevant risks, facts and circumstances existing at that time. To the extent the assessment of such tax position changes, we record the change in estimate in the period in which we make the determination.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued an update to ASC 606 Revenue from Contracts with Customers, or ASC 606, that will supersede virtually all existing revenue guidance. Under this update, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. As such, an entity will need to use more judgment and make more estimates than under the current guidance. This update should be applied retrospectively either to each prior reporting period presented in the financial statements, or only to the most current reporting period presented in the financial statements with a cumulative effect adjustment recorded in the retained earnings. This guidance will become effective for us for our interim and annual reporting periods beginning January 1, 2017. We are currently evaluating the impact of this update on our consolidated financial statements.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar, primarily the Euro and British Pound Sterling. We are a net receiver of Euro and therefore are adversely affected by a strengthening of the U.S. dollar relative to these currencies. Revenues denominated in U.S. dollar as a percentage of total revenue was 72%, 77% and 80% during the years ended December 31, 2014, 2013 and 2012, respectively. Changes in exchange rates have recently and may continue to negatively affect our revenues as denominated in U.S. dollars.

We have experienced and will continue to experience fluctuations in our net loss as a result of transaction gains or losses related to remeasuring certain monetary assets and liabilities that are denominated in currencies other than the functional currency of the entities in which they are recorded. We are unable to accurately forecast the changes in exchange rates and consequent gains and losses from such fluctuations. We recognized a net foreign currency gain of \$2.5 million for the year ended December 31, 2014, and net foreign currency losses of \$2.5 million and \$1.3 million for the years ended December 31, 2013 and 2012, respectively. While we have not engaged in the hedging of our foreign currency transactions to date, we may in the future hedge selected significant transactions denominated in currencies other than the U.S. dollar.

We estimate that a decline in the value of the U.S. dollar as measured against the other currencies in which our transactions are denominated would have widened our operating loss in the year ended December 31, 2014. A hypothetical 10% decrease in the U.S. dollar against other currencies would result in an approximately \$3.5 million increase in operating loss for the year ended December 31, 2014. This analysis disregards the possibilities that rates can move in opposite directions and that losses from one geographic area may be offset by gains from another geographic area.

Interest Rate Sensitivity

In February 2012, we began investing in corporate debt securities. The primary objectives of our investment activities are the preservation of capital and support of our liquidity requirements. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuations in interest rates, which may affect our interest income and the fair market value of our investments. As of December 31, 2014, a hypothetical 100 basis point increase in interest rates would result in an approximate \$5.6 million decline of the fair value of our available-for-sale securities and a hypothetical 100 basis point decrease in interest rates would result in an approximate \$5.0 million increase of the fair value of our available-for-sale securities. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur.

Market Risk

In November 2013, we issued Notes with an aggregate principal amount of \$575.0 million. We carry this instrument at face value less unamortized discount on our consolidated balance sheet. Because this instrument does not bear interest, we have no financial statement risk associated with changes in interest rates. However, the fair value of fixed rate instruments fluctuate when interest rates change, and in the case of convertible notes, when the market price of our stock fluctuates.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SERVICENOW, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	52
Consolidated Financial Statements	
Consolidated Balance Sheets	53
Consolidated Statements of Comprehensive Loss	54
Consolidated Statements of Changes in Convertible Preferred Stock and Stockholders' Equity (Deficit)	55
Consolidated Statements of Cash Flows	57
Notes to Consolidated Financial Statements	58

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of ServiceNow, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of comprehensive loss, of changes in convertible preferred stock and stockholders' equity (deficit), and of cash flows present fairly, in all material respects, the financial position of ServiceNow, Inc. and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which were integrated audits in 2014 and 2013). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 27, 2015

SERVICENOW, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 252,455	\$ 366,303
Short-term investments	416,336	268,251
Accounts receivable, net	159,171	108,339
Current portion of deferred commissions	43,232	31,123
Prepaid expenses and other current assets	35,792	23,733
Total current assets	906,986	797,749
Deferred commissions, less current portion	29,453	21,318
Long-term investments	266,772	255,356
Property and equipment, net	104,237	75,560
Intangible assets, net	54,526	5,796
Goodwill	55,016	8,724
Other assets	8,089	3,973
Total assets	\$ 1,425,079	\$ 1,168,476
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 17,829	\$ 7,405
Accrued expenses and other current liabilities	79,497	68,130
Current portion of deferred revenue	409,671	252,553
Total current liabilities	506,997	328,088
Deferred revenue, less current portion	12,567	14,169
Convertible senior notes, net	443,764	414,777
Other long-term liabilities	33,076	17,183
Total liabilities	996,404	774,217
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock \$0.001 par value; 600,000,000 shares authorized; 149,509,092 and 140,354,605 shares issued and outstanding at December 31, 2014 and 2013, respectively	150	140
Additional paid-in capital	799,221	573,791
Accumulated other comprehensive loss	(12,113)	(476)
Accumulated deficit	(358,583)	(179,196)
Total stockholders' equity	428,675	394,259
Total liabilities and stockholders' equity	\$ 1,425,079	\$ 1,168,476

See accompanying notes to consolidated financial statements

SERVICENOW, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands, except share and per share data)

	Year Ended December 31,		
	2014	2013	2012
Revenues:			
Subscription	\$ 567,217	\$ 349,804	\$ 204,526
Professional services and other	115,346	74,846	39,186
Total revenues	682,563	424,650	243,712
Cost of revenues⁽¹⁾:			
Subscription	142,687	87,928	63,258
Professional services and other	106,089	67,331	40,751
Total cost of revenues	248,776	155,259	104,009
Gross profit	433,787	269,391	139,703
Operating expenses⁽¹⁾:			
Sales and marketing	341,119	195,190	103,837
Research and development	148,258	78,678	39,333
General and administrative	96,245	61,790	34,117
Total operating expenses	585,622	335,658	177,287
Loss from operations	(151,835)	(66,267)	(37,584)
Interest and other income (expense), net	(23,705)	(4,930)	1,604
Loss before provision for income taxes	(175,540)	(71,197)	(35,980)
Provision for income taxes	3,847	2,511	1,368
Net loss	\$ (179,387)	\$ (73,708)	\$ (37,348)
Net loss attributable to common stockholders - basic and diluted:	\$ (179,387)	\$ (73,708)	\$ (37,656)
Net loss per share attributable to common stockholders - basic and diluted:	\$ (1.23)	\$ (0.54)	\$ (0.51)
Weighted-average shares used to compute net loss per share attributable to common stockholders - basic and diluted:	145,355,543	135,415,809	73,908,631
Other comprehensive loss:			
Foreign currency translation adjustments	\$ (11,027)	\$ (303)	\$ (830)
Unrealized loss on investments	(610)	(137)	(105)
Other comprehensive loss, net of tax	(11,637)	(440)	(935)
Comprehensive loss	\$ (191,024)	\$ (74,148)	\$ (38,283)

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		
	2014	2013	2012
Cost of revenues:			
Subscription	\$ 14,988	\$ 8,434	\$ 3,929
Professional services and other	13,116	4,749	1,574
Sales and marketing	54,006	21,609	10,189
Research and development	42,535	16,223	6,496
General and administrative	29,674	14,566	5,749

See accompanying notes to consolidated financial statements

SERVICENOW, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share data)

	Series C Redeemable Convertible Preferred Stock		Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series D Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2011	983,606	\$ 5,957	2,500,000	\$ 3,805	3,988,636	\$ 7,165	2,990,635	\$ 51,245	22,229,978	\$ 22	\$ 9,793	\$ (68,140)	\$ 899	\$ (57,426)
Issuance of common stock upon initial public offering, net of offering costs	—	—	—	—	—	—	—	—	10,350,000	10	169,774	—	—	169,784
Conversion of preferred stock to common stock upon initial public offering	(983,606)	(5,966)	(2,500,000)	(3,905)	(3,988,636)	(7,364)	(2,990,635)	(51,245)	83,703,016	84	68,396	—	—	68,480
Issuance of common stock upon follow-on offering, net of issuance costs	—	—	—	—	—	—	—	—	1,897,500	2	49,848	—	—	49,850
Common stock issued under employee stock plans	—	—	—	—	—	—	—	—	6,654,558	6	4,047	—	—	4,053
Issuance of common stock to third party investors, net of issuance costs	—	—	—	—	—	—	—	—	1,750,980	2	17,846	—	—	17,848
Tax benefit from employee stock plans	—	—	—	—	—	—	—	—	—	—	1,694	—	—	1,694
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	—	—	1,606	—	—	1,606
Buyback of restricted common stock	—	—	—	—	—	—	—	—	(34,168)	—	—	—	—	—
Buyback and retirement of common stock	—	—	—	—	—	—	—	—	(184,164)	—	(1,960)	—	—	(1,960)
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	28,067	—	—	28,067
Accretion of preferred stock dividends and issuance costs	—	9	—	100	—	199	—	—	—	—	(308)	—	—	(308)
Other comprehensive loss, net	—	—	—	—	—	—	—	—	—	—	—	—	(935)	(935)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(37,348)	—	(37,348)
Balance at December 31, 2012	—	\$ —	—	\$ —	—	\$ —	—	\$ —	126,367,700	\$ 126	\$ 348,803	\$ (105,488)	\$ (36)	\$ 243,405

SERVICENOW, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share data)

	Series C Redeemable Convertible Preferred Stock		Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series D Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Common stock issued under employee stock plans	—	—	—	—	—	—	—	—	13,986,905	14	56,484	—	—	56,498
Tax benefit from employee stock plans	—	—	—	—	—	—	—	—	—	—	1,658	—	—	1,658
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	—	—	381	—	—	381
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	65,694	—	—	65,694
Equity component of the convertible notes, net	—	—	—	—	—	—	—	—	—	—	152,061	—	—	152,061
Purchase of convertible note hedge	—	—	—	—	—	—	—	—	—	—	(135,815)	—	—	(135,815)
Sales of warrants	—	—	—	—	—	—	—	—	—	—	84,525	—	—	84,525
Other comprehensive loss, net	—	—	—	—	—	—	—	—	—	—	—	—	(440)	(440)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(73,708)	—	(73,708)
Balance at December 31, 2013	—	\$ —	—	\$ —	—	\$ —	—	\$ —	140,354,605	\$ 140	\$ 573,791	\$ (179,196)	\$ (476)	\$ 394,259
Common stock issued under employee stock plans	—	—	—	—	—	—	—	—	9,154,487	10	68,723	—	—	68,733
Tax benefit from employee stock plans	—	—	—	—	—	—	—	—	—	—	2,001	—	—	2,001
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	—	—	167	—	—	167
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	154,539	—	—	154,539
Other comprehensive loss, net	—	—	—	—	—	—	—	—	—	—	—	—	(11,637)	(11,637)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(179,387)	—	(179,387)
Balance at December 31, 2014	—	\$ —	—	\$ —	—	\$ —	—	\$ —	149,509,092	\$ 150	\$ 799,221	\$ (358,583)	\$ (12,113)	\$ 428,675

See accompanying notes to consolidated financial statements

SERVICENOW, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net loss	\$ (179,387)	\$ (73,708)	\$ (37,348)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	42,059	24,152	13,506
Amortization of premiums on investments	8,084	4,758	1,337
Amortization of deferred commissions	51,270	29,364	13,710
Amortization of debt discount and issuance costs	29,059	3,498	—
Stock-based compensation	154,319	65,581	27,937
Tax benefit from employee stock plans	(2,037)	(1,658)	(1,694)
Deferred income tax	(1,198)	(231)	(746)
Other	(4,469)	558	2,850
Changes in operating assets and liabilities:			
Accounts receivable	(56,785)	(29,506)	(33,341)
Deferred commissions	(73,786)	(54,943)	(29,175)
Prepaid expenses and other assets	(5,540)	3,471	(2,904) ⁽¹⁾
Accounts payable	10,223	(252)	4,887
Deferred revenue	168,393	94,405	64,845
Accrued expenses and other liabilities	(1,305)	16,257	24,902
Net cash provided by operating activities	138,900	81,746	48,766
Cash flows from investing activities:			
Purchases of property and equipment	(54,379)	(55,321)	(42,066)
Acquisition, net of cash acquired	(99,813)	(13,330)	—
Purchases of investments	(521,393)	(570,679)	(240,626)
Sale of investments	166,997	55,158	1,025
Maturities of investments	191,715	181,554	42,473
Restricted cash	(55)	(177)	45
Net cash used in investing activities	(316,928)	(402,795)	(239,149)
Cash flows from financing activities:			
Net proceeds from initial public offering	—	—	169,784
Net proceeds from (offering costs paid in connection with) follow-on offering	—	(698)	50,561
Net proceeds from borrowings on convertible senior notes	—	562,941	—
Proceeds from issuance of warrants	—	84,525	—
Purchase of convertible note hedge	—	(135,815)	—
Proceeds from employee stock plans	68,735	55,959	3,912
Tax benefit from employee stock plans	2,037	1,658	1,694
Net proceeds from issuance of common stock	—	—	17,848
Purchases of common stock and restricted stock from stockholders	—	—	(1,960)
Net cash provided by financing activities	70,772	568,570	241,839
Foreign currency effect on cash and cash equivalents	(6,592)	(207)	(555)
Net increase (decrease) in cash and cash equivalents	(113,848)	247,314	50,901
Cash and cash equivalents at beginning of period	366,303	118,989	68,088
Cash and cash equivalents at end of period	\$ 252,455	\$ 366,303	\$ 118,989
Supplemental disclosures of other cash flow information:			
Income taxes paid	\$ 12,604	\$ 920	\$ 1,524
Non-cash investing and financing activities:			
Conversion of preferred stock to common stock	\$ —	\$ —	\$ 68,480
Property and equipment included in accounts payable, accrued expenses and other liabilities	16,474	3,741	1,234
Exercise of stock options included in prepaid and other assets	4	10	1,089
Offering costs not yet paid	—	—	711

(1) Includes \$5.3 million payment received from our founder during the year ended December 31, 2012. Refer to Note 17.

See accompanying notes to consolidated financial statements

SERVICENOW, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Description of the Business

ServiceNow is a leading provider of cloud-based solutions that define, structure, manage and automate services across the global enterprise. By applying a service-oriented lens to the activities, tasks and processes that comprise day-to-day work life, we help the modern enterprise operate faster and be more scalable than ever before.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, or GAAP, and include our accounts and the accounts of our wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Segments

We define the term “chief operating decision maker” to be our Chief Executive Officer. Our chief operating decision maker allocates resources and assesses financial performance based upon discrete financial information at the consolidated level. Accordingly, we have determined that we operate in a single reporting segment.

Foreign Currency Translation

The functional currencies for our foreign subsidiaries are primarily their local currencies. Assets and liabilities of the wholly-owned foreign subsidiaries are translated into U.S. dollars at exchange rates in effect at each period end. Amounts classified in stockholders’ equity are translated at historical exchange rates. Revenues and expenses are translated at the average exchange rates during the period. The resulting translation adjustments are recorded in accumulated other comprehensive loss as a component of stockholders’ equity. Foreign currency transaction gains and losses are included in interest and other income (expense), net within the consolidated statements of comprehensive loss.

Allocation of Overhead Costs

Overhead costs associated with office facilities, IT and certain depreciation related to non cloud-based infrastructure hardware equipment are allocated to cost of revenues and operating expenses based on headcount. Facility costs associated with our data centers as well as depreciation related to our cloud-based infrastructure hardware equipment is classified as cost of subscription revenues.

Revenue Recognition

We derive our revenues from two sources: (i) subscriptions and (ii) professional services and other. Subscription revenues are primarily comprised of subscription fees that give customers access to the ordered subscription service, related support and updates to the subscribed service during the subscription term.

Our contracts typically do not give the customer the right to take possession of the software supporting the services. Professional services and other revenues consist of fees associated with the implementation and configuration of our services. Professional services and other revenues also include customer training and attendance and sponsorship fees for Knowledge, our annual user conference.

We commence revenue recognition when all of the following conditions are met:

- There is persuasive evidence of an arrangement;
- The service has been provided to the customer;
- The collection of related fees is reasonably assured; and

- The amount of fees to be paid by the customer is fixed or determinable.

We recognize subscription revenues ratably over the contract term beginning on the commencement date of each contract, the date we make our services available to our customers. Once our services are available to customers, we record amounts due in accounts receivable and in deferred revenue.

We recognize professional services revenues as the services are delivered using a proportional performance model. Such services are delivered over a short period of time. In instances where final acceptance of the services are required before revenues are recognized, we defer professional services revenues and the associated costs until all acceptance criteria have been met.

We have multiple element arrangements comprised of subscription fees and professional services. In October 2009, the Financial Accounting Standards Board, or FASB, ratified authoritative accounting guidance regarding revenue recognition for arrangements with multiple deliverables effective for fiscal periods beginning on or after June 15, 2010. Upon adoption of this authoritative accounting guidance, we began to account for subscription and professional services revenues as separate units of accounting. To qualify as a separate unit of accounting, the delivered item must have value to the customer on a standalone basis. We have concluded that our subscription service has standalone value as it is routinely sold separately by us. In addition, the applications offered through this subscription service are fully functional without any additional development, modification or customization. We provide customers access to our subscription service at the beginning of the contract term. In determining whether professional services have standalone value, we considered the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the timing of when the professional services contract was signed in comparison to the subscription service start date and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. Our professional services, including implementation and configuration services, are not so unique and complex that other vendors cannot provide them. In some instances, customers independently contract with third-party vendors to do the implementation and we regularly outsource implementation services to contracted third-party vendors. As a result, we concluded professional services, including implementation and configuration services, have standalone value.

We determine the selling price of each deliverable in the arrangement using the selling price hierarchy. Under the selling price hierarchy, the selling price for each deliverable is determined using vendor-specific objective evidence, or VSOE, of selling price or third-party evidence, or TPE, of selling price if VSOE does not exist. If neither VSOE nor TPE of selling price exists for a deliverable, the selling price is determined using the best estimate of selling price, or BEASP. The selling price for each unit of accounting is based on the BEASP since VSOE and TPE are not available for our subscription service or professional services and other. The BEASP for each deliverable is determined primarily by considering the historical selling price of these deliverables in similar transactions as well as other factors, including, but not limited to, market competition, review of stand-alone sales and current pricing practices. In determining the appropriate pricing structure, we consider the extent of competitive pricing of similar products and marketing analysis. The total arrangement fee for these multiple element arrangements is then allocated to the separate units of accounting based on the relative selling price. The BEASP for our subscription service is based upon the historical selling price of these deliverables.

In limited circumstances, we grant certain customers the right to deploy our subscription service on the customers' own servers without significant penalty. These arrangements are subject to software revenue recognition guidance since the customer deploys our software. We have analyzed all of the elements in these particular multiple element arrangements and determined that we do not have sufficient VSOE of fair value to allocate revenue to our subscription service and professional services. Consequently, we defer all revenue and related costs under the arrangement until the last element in the transaction has been delivered or started to be delivered. Once the subscription service and the professional services have commenced, we recognize the entire fee and related costs from the arrangement ratably over the remaining period of the arrangement.

Deferred revenue consists primarily of payments received in advance of revenue recognition for our subscriptions and professional services and other revenues and is recognized as the revenue recognition criteria are met.

Deferred Commissions

Deferred commissions are the incremental selling costs that are directly associated with our customer contracts and consist of sales commissions paid to our direct sales force and referral fees paid to independent third-parties. The majority of commissions and referral fees are deferred and amortized on a straight-line basis over the terms of the related customer contracts. We include amortization of deferred commissions in sales and marketing expense in the consolidated statements of comprehensive loss.

Fair Value Measurements

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized in the financial statements on a non-recurring basis or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a fair value hierarchy that is based on three levels of inputs, of which the first two are considered observable and the last unobservable. The three levels of the fair value hierarchy are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access;

Level 2—Inputs other than Level 1 that are directly or indirectly observable, such as quoted prices for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, such as interest rates, yield curves and foreign currency spot rates; and

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less. Cash and cash equivalents are stated at cost, which approximates fair value.

Investments

Investments consist of commercial paper, corporate notes and bonds, certificates of deposit and U.S. government agency securities. We classify investments as available-for-sale at the time of purchase and reevaluate such classification as of each balance sheet date. All investments are recorded at estimated fair value. Unrealized gains and losses for available-for-sale securities are included in accumulated other comprehensive loss, a component of stockholders' equity. We evaluate our investments to assess whether those with unrealized loss positions are other than temporarily impaired. We consider impairments to be other than temporary if they are related to deterioration in credit risk or if it is likely we will sell the securities before the recovery of their cost basis. Realized gains and losses and declines in value judged to be other than temporary are determined based on the specific identification method and are reported in interest and other income (expense), net in the consolidated statements of comprehensive loss.

Accounts Receivable

We record trade accounts receivable at the net invoice value and such receivables are non-interest bearing. We consider receivables past due based on the contractual payment terms. We review our exposure to accounts receivable and reserve for specific amounts if collectibility is no longer reasonably assured.

Property and Equipment

Property and equipment, net, are stated at cost, subject to review of impairment, and depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment and software	3—5 years
Furniture and fixtures	3—5 years
Leasehold improvements	shorter of the lease term or estimated useful life

When assets are sold, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in operating expenses. Repairs and maintenance expenses are charged to our statements of comprehensive loss as incurred.

Capitalized Software Costs

Costs incurred to develop our internal administration, finance and accounting systems are capitalized during the application development stage and amortized over the software's estimated useful life of three to five years.

Leases

Leases are reviewed and classified as capital or operating at their inception. For leases that contain rent escalations or periods during the lease term where rent is not required, we recognize rent expense based on allocating the total rent payable on a straight-line basis over the term of the lease excluding lease extension periods. The difference between rent payments and straight-line rent expense is recorded as deferred rent in the consolidated balance sheets. Deferred rent that will be recognized during the ensuing 12-month period is recorded as the current portion of deferred rent and the remainder is recorded as long-term deferred rent.

Goodwill, Intangible Assets and Other Long Lived Assets

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. We evaluate and test the recoverability of goodwill for impairment at least annually, during the fourth quarter, or more frequently if circumstances indicate that goodwill may not be recoverable.

Intangible assets are amortized over their useful lives ranging from 18 months to seven years. Each period we evaluate the estimated remaining useful life of purchased intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization.

We periodically review the carrying amounts of these assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. We measure the recoverability of these assets by comparing the carrying amount of each asset to the future undiscounted cash flows we expect the asset to generate. If we consider any of these assets to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair value.

Convertible Preferred Stock

Prior to the closing of the initial public offering, or IPO, we had four series of convertible preferred stock outstanding. We recorded the convertible preferred stock at fair value on the dates of issuance, net of issuance costs. We classified the convertible preferred stock outside of stockholders' equity because the shares contained liquidation features that were not solely within our control.

Upon the closing of our IPO on July 5, 2012, all of the outstanding 10,462,877 shares of convertible preferred stock automatically converted into an aggregate of 83,703,016 shares of common stock. As of December 31, 2014 and 2013, we had no shares of preferred stock outstanding.

Stock-based Compensation

We recognize compensation expense related to stock options and restricted stock units, or RSUs, on a straight-line basis over the requisite service period, which is generally the vesting term of four years. For RSUs granted with a performance condition, the expenses are recognized on a graded vesting basis over the vesting period, after assessing the probability of achieving requisite performance criteria. This has the impact of greater stock-based compensation expense during the initial years of the vesting period as stock-based compensation cost is recognized over the requisite service period for each separately vesting tranche of the award as though the award were, in substance, multiple awards. We recognize compensation expense related to shares issued pursuant to the employee stock purchase plan, or ESPP, on a straight-line basis over the offering period. We estimate the fair value of options using the Black-Scholes options pricing model and fair value of RSUs using the fair value of our common stock on the date of grant. We recognize compensation expense net of estimated forfeiture activity, which is based on historical forfeiture rates.

Net Loss Per Share Attributable to Common Stockholders

We compute net income (loss) attributable to common stockholders using the two-class method required for participating securities. We consider our convertible preferred stock that was outstanding prior to the close of our IPO and shares of common stock subject to repurchase resulting from the early exercise of stock options to be participating securities since they contain non-forfeitable rights to dividends or dividend equivalents in the event we declare a dividend for common stock. In accordance with the two-class method, earnings allocated to these participating securities, are subtracted from net income after deducting preferred stock dividends and accretion to the redemption value of the Series A, Series B and Series C to determine total undistributed earnings to be allocated to common stockholders. The holders of our convertible preferred stock did not have a contractual obligation to share in our net losses and such shares were excluded from the computation of basic earnings per share in periods of net loss.

Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period. All participating securities are excluded from basic weighted-average common shares outstanding. Diluted net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted for the effects of dilutive common shares, which are comprised of outstanding common stock options, convertible preferred stock, RSUs, common stock subject to repurchase, ESPP obligations, convertible senior notes and warrants. The dilutive potential common shares are computed using the treasury stock method or the as-if converted method, as applicable. In periods where the effect of the conversion of preferred stock is dilutive, net income (loss) attributable to common stockholders is adjusted by the associated preferred dividends and accretions. The effects of outstanding common stock options, convertible preferred stock, RSUs, common stock subject to repurchase, ESPP obligations, convertible senior notes and warrants are excluded from the computation of diluted net income (loss) per common share in periods in which the effect would be antidilutive.

Concentration of Credit Risk and Significant Customers

Financial instruments potentially exposing us to credit risk consist primarily of cash, cash equivalents, investments, accounts receivable. We maintain cash, cash equivalents and investments at financial institutions that management believes are high credit, quality financial institutions. We invest in securities with a minimum rating of A by Standard & Poor's and A-2 by Moody's. We are also exposed to credit risk under the convertible note hedge (the "Note Hedge") transactions that may result from counterparties' non-performance.

Credit risk arising from accounts receivable is mitigated due to our large number of customers and their dispersion across various industries and geographies. As of December 31, 2014 and 2013, there were no customers that represented more than 10% of our accounts receivable balance. There were no customers that individually exceeded 10% of our revenues in any of the periods presented.

We review the composition of the accounts receivable balance, historical write-off experience and the potential risk of loss associated with delinquent accounts to determine if an allowance for doubtful accounts is necessary. Individual accounts receivable are written off when we become aware of a specific customer's inability to meet its financial obligation, and all collection efforts are exhausted. The following table presents the changes in the allowance for doubtful accounts (in thousands):

	Balance at Beginning of Year	Additions (deductions): Charged to Operations	Additions (deductions): Charged to Deferred Revenue	Less: Write-offs	Balance at End of Year
Year ended December 31, 2014					
Allowance for doubtful accounts	\$ 1,143	395	(523)	206	\$ 809
Year ended December 31, 2013					
Allowance for doubtful accounts	\$ 742	(43)	946	502	\$ 1,143

Warranties and Indemnification

Our cloud-based service to automate enterprise service operations is typically warranted to perform in material conformance with specifications.

We include service level commitments to our customers that permit those customers to receive credits in the event we fail to meet those levels. We establish an accrual based on historical credits paid and an evaluation of the performance of our services including an assessment of the impact, if any, of any known service disruptions. Service level credit accrual charges are recorded against revenue. The following table presents the changes in the service level credit accrual (in thousands):

	Balance at Beginning of Year	Additions: Charged Against Revenue	Less: Usage	Balance at End of Year
Year ended December 31, 2014				
Service level credit accrual	\$ 648	481	201	\$ 928
Year ended December 31, 2013				
Service level credit accrual	\$ 1,196	430	978	\$ 648

We have also agreed to indemnify our directors and executive officers for costs associated with any fees, expenses, judgments, fines and settlement amounts incurred by any of these persons in any action or proceeding to which any of those persons is, or is threatened to be, made a party by reason of the person's service as a director or officer, including any action by us, arising out of that person's services as a director or officer of our company or that person's services provided to any other company or enterprise at our request. We maintain director and officer insurance coverage that may enable us to recover a portion of any future amounts paid. The fair values of these obligations are not material as of each balance sheet date.

Our arrangements include provisions indemnifying customers against intellectual property and other third-party claims. We have not incurred any costs as a result of such indemnifications and have not recorded any liabilities related to such obligations in the consolidated financial statements.

Income Taxes

We use the asset and liability method of accounting for income taxes, in which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. We recognize the effect on deferred tax assets and liabilities of a change in tax rates as income and expense in the period that includes the enactment date. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. In determining the need for a valuation allowance, we consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law, carry-forward periods, and prudent and feasible tax planning strategies.

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. We recognize the tax benefit of an uncertain tax position only if it is more likely than not the position is sustainable upon examination by the taxing authority, based on the technical merits. We measure the tax benefit recognized as the largest amount of benefit which is more likely than not to be realized upon settlement with the taxing authority. We recognize interest accrued and penalties related to unrecognized tax benefits in our tax provision.

We calculate the current and deferred income tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years and record adjustments based on filed income tax returns when identified. The amount of income taxes paid is subject to examination by U.S. federal, state and foreign tax authorities. The estimate of the potential outcome of any uncertain tax issue is subject to management's assessment of relevant risks, facts and circumstances existing at that time. To the extent the assessment of such tax position changes, we record the change in estimate in the period in which we make the determination.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued an update to ASC 606 Revenue from Contracts with Customers, or ASC 606, that will supersede virtually all existing revenue guidance. Under this update, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. As such, an entity will need to use more judgment and make more estimates than under the current guidance. This update should be applied retrospectively either to each prior reporting period presented in the financial statements, or only to the most current reporting period presented in the financial statements with a cumulative effect adjustment recorded in the retained earnings. This guidance will become effective for us for our interim and annual reporting periods beginning January 1, 2017. We are currently evaluating the impact of this update on our consolidated financial statements.

(3) Investments

The following is a summary of our investments excluding those securities classified within cash and cash equivalents on the consolidated balance sheets (in thousands):

	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Commercial paper	\$ 8,195	\$ 1	\$ —	\$ 8,196
Corporate notes and bonds	554,421	56	(845)	553,632
Certificates of deposit	27,251	8	(2)	27,257
U.S. government agency securities	94,093	2	(72)	94,023
Total available-for-sale securities	<u>\$ 683,960</u>	<u>\$ 67</u>	<u>\$ (919)</u>	<u>\$ 683,108</u>

	December 31, 2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Commercial paper	\$ 124,330	\$ 10	\$ (21)	\$ 124,319
Corporate notes and bonds	399,519	129	(360)	399,288
Total available-for-sale securities	<u>\$ 523,849</u>	<u>\$ 139</u>	<u>\$ (381)</u>	<u>\$ 523,607</u>

As of December 31, 2014, the contractual maturities of our investments did not exceed 24 months. The fair values of available-for-sale investments, by remaining contractual maturity, are as follows (in thousands):

	December 31, 2014
Due in 1 year or less	\$ 416,336
Due in 1 year through 2 years	266,772
Total	<u>\$ 683,108</u>

We had certain available-for-sale securities in a gross unrealized loss position, substantially all of which had been in such position for less than 12 months. There were no impairments considered "other-than-temporary" as it is more likely than not we will hold the securities until maturity or a recovery of the cost basis. The following table shows the fair values and the gross unrealized losses of these available-for-sale securities aggregated by investment types (in thousands):

	December 31, 2014		December 31, 2013	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Commercial Paper	—	—	81,467	(21)
Corporate notes and bonds	436,140	(845)	293,642	(360)
Certificates of deposit	7,999	(2)	—	—
U.S. government agency securities	80,014	(72)	—	—
Total	<u>\$ 524,153</u>	<u>\$ (919)</u>	<u>\$ 375,109</u>	<u>\$ (381)</u>

As of December 31, 2014, we had a total of 283 available-for-sale securities in an unrealized loss position.

(4) Fair Value Measurements

The following table presents our fair value hierarchy for our assets and liabilities measured at fair value on a recurring basis at December 31, 2014 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Cash	\$ 201,314	\$ —	\$ —	\$ 201,314
Money market funds	46,541	—	—	46,541
Commercial paper	—	4,600	—	4,600
Short-term investments:				
Commercial paper	—	8,196	—	8,196
Corporate notes and bonds	—	342,864	—	342,864
Certificates of deposit	—	25,258	—	25,258
U.S. government agency securities	—	40,018	—	40,018
Long-term investments:				
Corporate notes and bonds	—	210,768	—	210,768
Certificates of deposit	—	1,999	—	1,999
U.S. government agency securities	—	54,005	—	54,005
Total	\$ 247,855	\$ 687,708	\$ —	\$ 935,563

The following table presents our fair value hierarchy for our assets and liabilities measured at fair value on a recurring basis at December 31, 2013 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Cash	\$ 69,333	\$ —	\$ —	\$ 69,333
Money market funds	35,248	—	—	35,248
Commercial paper	—	261,722	—	261,722
Short-term investments:				
Commercial paper	—	124,319	—	124,319
Corporate notes and bonds	—	143,932	—	143,932
Long-term investments:				
Corporate notes and bonds	—	255,356	—	255,356
Total	\$ 104,581	\$ 785,329	\$ —	\$ 889,910

We determine the fair value of our security holdings based on pricing from our service provider and market prices from industry-standard independent data providers. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs) or pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs), such as yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures.

(5) Acquisitions

Neebula Systems Ltd.

On July 11, 2014, we completed the acquisition of a privately-held company, Neebula Systems Ltd., or Neebula, by acquiring all issued and outstanding common shares of Neebula for approximately \$100 million in an all-cash transaction. Neebula's flagship product, ServiceWatch, automates the discovery, mapping and monitoring of IT-enabled enterprise services. The acquisition will expand the overall capabilities of our IT operations management offerings. The following table summarizes the allocation of the purchase price to the fair value of the tangible and intangible assets acquired and liabilities assumed as of the acquisition date:

	Purchase Price Allocation (in thousands)	Useful Life (in years)
Net tangible assets acquired	\$ 102	
Intangible assets:		
Developed technology	56,200	5.5
Order backlog	600	1.5
Trade names	300	1.5
Goodwill	53,788	
Net deferred tax liabilities ⁽¹⁾	(10,527)	
Total purchase price	<u>\$ 100,463</u>	

(1) Deferred tax liabilities, net primarily relates to purchased identifiable intangible assets and is shown net of deferred tax assets.

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill. We believe the goodwill represents the synergies expected from expanded market opportunities when integrating Neebula technologies with our offerings. The goodwill balance is not deductible for U.S. income tax purposes. Acquisition-related costs of \$1.2 million are primarily included in general and administrative expenses on our consolidated statements of comprehensive loss.

The results of operations of Neebula have been included in our consolidated financial statements from the date of purchase. The following pro forma consolidated financial information combines the unaudited results of operations for us and Neebula for the year ended December 31, 2014 and 2013, as if the acquisition of Neebula had occurred on January 1, 2013 (in thousands, except share and per share data):

	Year Ended December 31,	
	2014	2013
Revenue	\$ 683,426	\$ 425,515
Net loss	\$ (189,457)	\$ (89,871)
Weighted-average shares used to compute net loss per share attributable to common stockholders - basic and diluted	145,355,543	135,415,809
Net loss per share attributable to common stockholders - basic and diluted	\$ (1.30)	\$ (0.66)

The pro forma results as presented above are based on estimates and assumptions, which we believe are reasonable. They are not necessarily indicative of our consolidated results of operations in future periods or the results that actually would have been realized had we been a combined company during the periods presented. The pro forma results include adjustments primarily related to amortization of acquired intangible assets and acquisition-related costs.

Mirror42 Holding B.V.

On July 1, 2013, we acquired all the outstanding stock of Mirror42 Holding B.V., a cloud-based performance analytics company, for total cash consideration of \$13.3 million. We believe this acquisition accelerates our ability to deliver on enterprise requirements for advanced business intelligence.

The following table summarizes the allocation of the purchase price to the fair value of the tangible and intangible assets acquired and liabilities assumed as of the acquisition date:

	Purchase Price Allocation (in thousands)	Useful Life (in years)
Net tangible liabilities acquired	\$ (595)	
Intangible assets:		
Developed technology	5,530	4
Contracts	297	1.5
Non-compete agreements	31	1.5
Goodwill	8,218	
Net deferred tax liabilities	(139)	
Total purchase price	<u>\$ 13,342</u>	

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill. Management believes that the goodwill represents the synergies expected from expanded market opportunities when integrating the Mirror42 Holding B.V.'s technologies with our offerings. \$8.1 million of the goodwill balance is deductible for income tax purposes.

The results of operations of Mirror42 Holding B.V. described above have been included in our consolidated financial statements from the date of purchase. Our business combination did not have a material impact on our consolidated financial statements, and therefore pro forma disclosures have not been presented.

(6) Goodwill and Intangible Assets

Goodwill balances are presented below (in thousands):

	Carrying Amount
Balance as of December 31, 2013	\$ 8,724
Goodwill acquired	53,788
Foreign currency translation adjustments	(7,496)
Balance as of December 31, 2014	<u>\$ 55,016</u>

Intangible assets consisted of the following (in thousands):

	December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 59,895	\$ (6,727)	\$ 53,168
Backlog	588	(184)	404
Other acquisition-related intangible assets	597	(398)	199
Acquisition-related intangible assets	61,080	(7,309)	53,771
Other intangible assets	1,075	(320)	755
Total intangible assets	<u>\$ 62,155</u>	<u>\$ (7,629)</u>	<u>\$ 54,526</u>

	December 31, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 5,783	\$ (723)	\$ 5,060
Other acquisition-related intangible assets	348	(115)	233
Acquisition-related intangible assets	6,131	(838)	5,293
Other intangible assets	650	(147)	503
Total intangible assets	<u>\$ 6,781</u>	<u>\$ (985)</u>	<u>\$ 5,796</u>

Amortization expense for intangible assets was approximately \$6.8 million, \$0.9 million and \$0.1 million, respectively, for the years ended December 31, 2014, 2013 and 2012.

The following table presents the estimated future amortization expense related to intangible assets held at December 31, 2014 (in thousands):

	Acquisition-related intangible assets	Other intangible assets	Total
Years Ending December 31,			
2015	\$ 11,853	\$ 199	\$ 12,052
2016	11,285	199	11,484
2017	10,575	199	10,774
2018	9,882	119	10,001
2019	9,882	39	9,921
Thereafter	294	—	294
Total future amortization expense	<u>\$ 53,771</u>	<u>\$ 755</u>	<u>\$ 54,526</u>

(7) Property and Equipment

Property and equipment, net consists of the following (in thousands):

	December 31,	
	2014	2013
Computer equipment and software	\$ 128,546	\$ 90,617
Furniture and fixtures	18,253	13,751
Leasehold improvements	14,929	8,371
Construction in progress	9,762	928
	171,490	113,667
Less: Accumulated depreciation	(67,253)	(38,107)
Total property and equipment, net	<u>\$ 104,237</u>	<u>\$ 75,560</u>

Construction in progress consists primarily of leasehold improvements, building and in-process software development costs. Depreciation expense was \$35.3 million, \$22.6 million and \$13.5 million for the years ended December 31, 2014, 2013 and 2012, respectively.

(8) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 31,	
	2014	2013
Taxes payable	\$ 7,625	\$ 4,187
Bonuses and commissions	28,228	22,322
Accrued compensation	14,961	16,610
Other employee expenses	16,080	11,926
Other	12,603	13,085
Total accrued expenses and other current liabilities	\$ 79,497	\$ 68,130

(9) Convertible Senior Notes

In November 2013, we issued 0% convertible senior notes due November 1, 2018 with aggregate principal amount of \$575 million (the "Notes"). The Notes will not bear interest. The Notes mature on November 1, 2018 unless converted or repurchased in accordance with their terms prior to such date. We cannot redeem the Notes prior to maturity.

The Notes are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

Upon conversion, we may choose to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock. We intend to settle the principal amount of the Notes with cash.

The Notes are convertible up to 7.8 million shares of our common stock at an initial conversion rate of approximately 13.54 shares of common stock per \$1,000 principal amount, which is equal to an initial conversion price of approximately \$73.88 per share of common stock, subject to adjustment. Holders of the Notes may convert their Notes at their option at any time prior to the close of business on the business day immediately preceding July 1, 2018, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2014 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events.

On or after July 1, 2018, a holder may convert all or any portion of its notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date regardless of the foregoing conditions. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election

The conversion price will be subject to adjustment in some events. Holders of the Notes who convert their notes in connection with certain corporate events that constitute a "make-whole fundamental change" are, under certain circumstances, entitled to an increase in the conversion rate. Additionally, in the event of a corporate event that constitutes a "fundamental change," holders of the Notes may require us to purchase with cash all or a portion of the Notes upon the occurrence of a fundamental change, at a purchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest.

In accounting for the issuance of the notes, we separated the Notes into liability and equity components. The carrying cost of the liability component was calculated by measuring the fair value of a similar liability that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the Notes. The difference between the principal amount of the Notes and the proceeds allocated to the liability component (“debt discount”) is amortized to interest expense using the effective interest method over the term of the Note. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the transaction costs related to the issuance of the Notes, we allocated the total amount incurred to the liability and equity components based on their relative values. Transaction costs attributable to the liability component are being amortized to interest expense over the term of the Notes, and transaction costs attributable to the equity component were netted with the equity component of the Notes in stockholders’ equity. Additionally, we recorded a net deferred tax liability of \$6.6 million in connection with the Notes and convertible notes hedge transactions described below. The Notes consisted of the following (in thousands):

	December 31,	
	2014	2013
Liability:		
Principal	\$ 575,000	\$ 575,000
Less: debt discount, net of amortization	(131,236)	(160,223)
Net carrying amount	<u>\$ 443,764</u>	<u>\$ 414,777</u>
Equity ⁽¹⁾ :	<u>\$ 152,061</u>	<u>\$ 152,061</u>

(1) Included in the consolidated balance sheets within additional paid-in capital.

We consider the fair value of the Notes at December 31, 2014 and 2013 to be a Level 2 measurement. The estimated fair values of the Notes at December 31, 2014 was \$653.3 million. The fair value was determined based on the closing trading price per \$100 of the Notes on December 31, 2014. Based on the closing price of our common stock of \$67.85 and \$56.01 on December 31, 2014 and 2013, the if-converted value of the Notes was less than its principal amount.

As of December 31, 2014, the remaining life of the Notes is 46 months. The following table sets forth total interest expense recognized related to the Notes (in thousands):

	December 31,	
	2014	2013
Amortization of debt issuance cost	\$ 1,558	\$ 188
Amortization of debt discount	27,501	3,310
Total	<u>\$ 29,059</u>	<u>\$ 3,498</u>
Effective interest rate of the liability component	6.5%	

There was no interest expense recognized in the year ended December 31, 2012 related to the Notes.

Note Hedge

To minimize the impact of potential economic dilution upon conversion of the Notes, we entered into convertible note hedge transactions with respect to our common stock concurrent with the issuance of the Notes. The Note Hedge covers approximately 7.8 million shares of our common stock at a strike price per share that corresponds to the initial conversion price of the Notes, are also subject to adjustment, and are exercisable upon conversion of the Notes. We paid an aggregate amount of \$135.8 million for the Note Hedge. The Note Hedge will expire upon maturity of the Notes. The Note Hedge is intended to reduce the potential economic dilution upon conversion of the Notes in the event that the fair value per share of our common stock at the time of exercise is greater than the conversion price of the Notes. The Note Hedge is a separate transaction and is not part of the terms of the Notes. The Note Hedge does not impact earnings per share, as it was entered into to offset any dilution from the Notes.

Warrants

Separately, we entered into warrant transactions (the “Warrants”) whereby we sold warrants to acquire up to 7.8 million shares of our common stock, at a strike price of \$107.46 per share, subject to adjustments. We received aggregate proceeds of \$84.5 million from the sale of the Warrants. If the average market value per share of our common stock for the reporting period, as measured under the Warrants, exceeds the strike price of the Warrants, the Warrants will have a dilutive effect on our earnings per share. The Warrants are separate transactions and are not remeasured through earnings each reporting period. The Warrants are not part of the Notes or the Note Hedge, and have been accounted for as part of additional paid-in capital.

(10) Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss, net of tax, consist of the following (in thousands):

	December 31,	
	2014	2013
Foreign currency translation adjustment	\$ (11,261)	\$ (234)
Net unrealized loss on investments	(852)	(242)
Accumulated other comprehensive loss	\$ (12,113)	\$ (476)

(11) Stockholders' Equity

Common Stock

In February 2012, we issued and sold 1,750,980 shares of common stock at a price of \$10.20 per share for gross proceeds of \$17.9 million in a private placement with a new stockholder. As part of this private placement, our founder sold 700,000 shares of common stock at the same price per share to this new stockholder.

In July 2012, we closed our IPO of 13,397,500 shares of common stock at an offering price of \$18.00 per share. The offering included 10,350,000 shares sold and issued by us and 3,047,500 shares sold by our founder. The 13,397,500 shares sold in the offering included the over-allotment option exercised in full by the underwriters to purchase 1,350,000 shares and 397,500 shares from us and our founder, respectively. The net proceeds to us from the offering were \$173.3 million after deducting underwriting discounts and commissions, and before deducting total expenses in connection with the offering of \$3.5 million.

In November 2012, we and the selling shareholders sold 16,100,000 shares of common stock at an offering price of \$28.00 per share. The offering included 1,897,500 shares sold and issued by us and 14,202,500 shares sold by the selling stockholders. The 16,100,000 shares sold included the over-allotment option exercised in full by the underwriters to purchase 247,500 shares and 1,852,500 shares from us and the selling stockholders, respectively. The net proceeds to us from the offering were \$51.0 million after deducting underwriting discounts and commissions, and before deducting total expenses in connection with the offering of \$1.2 million.

During the year ended December 31, 2012, we repurchased and subsequently canceled 100,000 shares, 77,498 shares and 6,666 shares of common stock at a price of \$10.00, \$11.50 and \$12.00 per share, respectively.

During the years ended December 31, 2014 and 2013, we issued a total of 9,154,487 shares and 13,986,905 shares, respectively, from stock option exercises, vesting of RSUs and ESPP.

We were authorized to issue 600,000,000 shares of common stock as of December 31, 2014. Holders of our common stock are not entitled to receive dividends unless declared by our board of directors. As of December 31, 2014, we had 149,509,092 shares of common stock outstanding and had reserved shares of common stock for future issuance as follows:

	December 31, 2014
Stock option plan:	
Options outstanding	15,897,422
RSUs	9,941,074
Stock awards available for future grants:	
2005 Stock Option Plan ⁽¹⁾	—
2012 Equity Incentive Plan ⁽¹⁾	14,444,894
2012 Employee Stock Purchase Plan ⁽¹⁾	6,529,516
Total reserved shares of common stock for future issuance	46,812,906

(1) Refer to Note 12 for a description of these plans.

Preferred Stock

Our board of directors has the authority, without further action by stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series. Our board of directors may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference and number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying or preventing a change in control. At December 31, 2014 and 2013, no shares of preferred stock were outstanding.

(12) Stock Awards

We have a 2005 Stock Option Plan, or 2005 Plan, which provides for grants of stock awards, including options to purchase shares of common stock, stock purchase rights and RSUs to certain employees, officers, directors and consultants. As of December 31, 2014, there were 53,355,641 total shares of common stock authorized for issuance under the 2005 Plan, which includes shares already issued under such plan and shares reserved for issuance pursuant to outstanding options and RSUs.

On April 27, 2012, the board of directors approved the 2012 Equity Incentive Plan, or 2012 Plan and the 2012 Employee Stock Purchase Plan, or the 2012 ESPP, which became effective on June 27, 2012 and June 28, 2012, respectively.

Our 2012 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, RSUs, performance-based stock awards and other forms of equity compensation, or collectively, stock awards. In addition, the 2012 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, as well as directors and consultants. The share reserve may increase to the extent that outstanding stock options under the 2005 Plan expire or terminate unexercised. The share reserve also automatically increases on January 1 of each year until January 1, 2022, by up to 5% of the total number of shares of the common stock outstanding on December 31 of the preceding year as determined by the board of directors. As of December 31, 2014, there were 29,160,914 total shares of common stock authorized for issuance under the 2012 Plan, excluding 7,475,454 shares of common stock automatically added to the 2012 Plan on January 1, 2015 pursuant to the provision described in the preceding sentence.

Our 2012 ESPP authorizes the issuance of shares of common stock pursuant to purchase rights granted to our employees. The number of shares of common stock reserved for issuance automatically increases on January 1 of each year, from January 1, 2013 through January 1, 2022, by up to 1% of the total number of shares of the common stock outstanding on December 31 of the preceding year. The price at which common stock is purchased under the 2012 ESPP is equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. Offering periods are six months long and begin on February 1 and August 1 of each year. As of December 31, 2014, we had 6,529,516 total shares of common stock reserved for issuance under the 2012 ESPP, excluding 1,495,090 shares of common stock automatically added to the 2012 Plan on January 1, 2015.

Stock Options

The stock options are exercisable at a price equal to the market value of the underlying shares of common stock on the date of the grant as determined by our board of directors or, for those stock options issued subsequent to our IPO, the closing price of our common stock as reported on the New York Stock Exchange on the date of grant. Stock options granted under our 2005 Plan and the 2012 Plan to new employees generally vest 25% one year from the date the requisite service period begins and continue to vest monthly for each month of continued employment over the remaining three years. Options granted generally are exercisable for a period of up to 10 years. Option holders under the 2005 Plan can exercise unvested options to acquire restricted stock. Upon termination of service, we have the right to repurchase at the original purchase price any unvested (but issued) shares of common stock.

A summary of the stock option activity was as follows:

	Number of Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2012	36,115,460	\$ 5.05		
Granted	2,339,523	38.07		
Exercised	(12,951,123)	3.34		\$ 446,054
Canceled/forfeited	(2,104,486)	7.66		
Outstanding at December 31, 2013	23,399,374	9.07		
Granted	744,144	61.40		
Exercised	(7,478,595)	6.76		\$ 406,630
Canceled/forfeited	(767,501)	22.26		
Outstanding at December 31, 2014	15,897,422	\$ 11.96	6.88	\$ 888,579
Vested and expected to vest as of December 31, 2014	15,714,142	\$ 11.69	6.87	\$ 882,474
Vested and exercisable as of December 31, 2014	9,474,046	\$ 6.71	6.48	\$ 579,267

Aggregate intrinsic value represents the difference between the estimated fair value of our common stock and the exercise price of outstanding, in-the-money options. The total intrinsic value of the options exercised was \$84.2 million the year ended December 31, 2012. The weighted-average grant date per share fair value of options granted was \$29.66, \$18.70 and \$7.68 for the years ended December 31, 2014, 2013 and 2012, respectively. The total fair value of shares vested was \$39.1 million, \$33.1 million and \$19.2 million for the years ended December 31, 2014, 2013 and 2012, respectively.

As of December 31, 2014, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested stock options was approximately \$54.1 million. The weighted-average remaining vesting period of unvested stock options at December 31, 2014 was 2.34 years.

RSUs

Activity with respect to outstanding RSUs was as follows:

	Number of Shares	Weighted Average Grant Date Fair Value (Per Share)	Aggregate Fair Value (in thousands)
Outstanding at December 31, 2012	1,457,870	\$ 16.89	
Granted	4,558,929	38.15	
Vested	(322,623)	15.15	\$ 13,510
Forfeited	(266,667)	30.65	
Outstanding at December 31, 2013	5,427,509	34.02	
Granted	6,514,348	61.13	
Vested	(1,264,521)	32.14	\$ 73,663
Forfeited	(736,262)	45.22	
Outstanding at December 31, 2014	9,941,074	\$ 51.19	\$ 674,502
Expected to vest as of December 31, 2014	9,358,944		\$ 635,004

RSUs granted under the 2005 Plan and the 2012 Plan to employees generally vest over a four-year period. Included in the number of shares granted during the year ended December 31, 2014 were 585,000 RSU with both service and performance-based vesting criteria that were granted to certain executives. These performance RSUs were considered as eligible to vest when approved by the Compensation Committee in January 2015. Shares earned will vest in four quarterly increments starting from February 2016, contingent on the continuous employment of each executive. We recognized \$19.2 million of stock-based compensation expense associated with these performance RSUs during the year ended December 31, 2014.

As of December 31, 2014, total unrecognized compensation cost, adjusted for estimated forfeitures, related to unvested RSUs was approximately \$383.4 million and the weighted-average remaining vesting period was 3.15 years.

(13) Stock-Based Compensation

We use the Black-Scholes options pricing model to estimate the fair value of our stock option grants. This model incorporates various assumptions including expected volatility, expected term, risk-free interest rates and expected dividend yields. The following assumptions were used for each respective period to calculate our stock-based compensation for each stock option grant on the date of the grant:

	Year Ended December 31,		
	2014	2013	2012
Stock Options:			
Expected volatility	47% - 50%	50% - 52%	53% - 57%
Expected term (in years)	6.08	6.02	6.05
Risk-free interest rate	1.78% - 2.06%	0.91% - 2.05%	0.83% - 1.18%
Dividend yield	—%	—%	—%

The following assumptions were used to calculate our stock-based compensation for each stock purchase right granted under the 2012 ESPP:

	Year Ended December 31,		
	2014	2013	2012
ESPP:			
Expected volatility	33% - 49%	35% - 42%	42%
Expected term (in years)	0.50	0.50	0.58
Risk-free interest rate	0.05% - 0.08%	0.08% - 0.16%	0.16%
Dividend yield	—%	—%	—%

Expected volatility. We use the historic volatility of publicly traded peer companies as an estimate for expected volatility. In considering peer companies, characteristics such as industry, stage of development, size and financial leverage are considered. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock share price becomes available.

Expected term. We estimate the expected term for stock options using the simplified method due to the lack of historical exercise activity for our company. The simplified method calculates the expected term as the mid-point between the vesting date and the contractual expiration date of the award. We estimate the expected term for ESPP using the purchase period.

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

Expected dividend yield. Our expected dividend yield is zero, as we have not and do not currently intend to declare dividends in the foreseeable future.

Fair value of common stock. Prior to our IPO in June 2012, the fair value of our common stock was determined by our board of directors, which intended all options granted to be exercisable at a price per share not less than the per share fair value of the common stock underlying those options on the date of grant. The valuations of our common stock were determined in accordance with the guidelines outlined in the *American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The assumptions used in the valuation model are based on future expectations combined with management judgment.

From March 2010 until our IPO in June 2012, we utilized the probability weighted expected return method, or PWERM, approach to allocate value to our common shares. The PWERM approach employs various market approach and income approach calculations depending upon the likelihood of various liquidation scenarios. For each of the various scenarios, an equity value is estimated and the rights and preferences for each stockholder class are considered to allocate the equity value to common shares. The common share value is then multiplied by a discount factor reflecting the calculated discount rate and the timing of the event. Lastly, the common share value is multiplied by an estimated probability for each scenario. The probability and timing of each scenario was based upon discussions between our board of directors and our management team. Under the PWERM, the value of our common stock was based upon four possible future events for our company: an IPO; a strategic merger or sale; remaining a private company; and dissolution.

For stock options granted subsequent to our IPO, the fair value is based on the closing price of our common stock as reported on the New York Stock Exchange on the date of grant.

(14) Interest and other income/(expense), net

The components of interest and other income/(expense), net, consist of the following (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Interest expense related to the Notes	\$ (29,059)	\$ (3,498)	\$ —
Interest income	2,964	1,053	351
Foreign currency exchange gain/(loss)	2,490	(2,493)	1,067
Other	(100)	8	186
Interest and other income/(expense), net	<u>\$ (23,705)</u>	<u>\$ (4,930)</u>	<u>\$ 1,604</u>

(15) Net Loss Per Share Attributable to Common Stockholders

The following tables present the calculation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Year Ended December 31,		
	2014	2013	2012
Numerator:			
Net loss	\$ (179,387)	\$ (73,708)	\$ (37,348)
Accretion of redeemable convertible preferred stock	—	—	(308)
Net loss attributable to common stockholders - basic and diluted	<u>\$ (179,387)</u>	<u>\$ (73,708)</u>	<u>\$ (37,656)</u>
Denominator:			
Weighted-average shares outstanding - basic and diluted	<u>145,355,543</u>	<u>135,415,809</u>	<u>73,908,631</u>
Net loss per share attributable to common stockholders - basic and diluted	<u>\$ (1.23)</u>	<u>\$ (0.54)</u>	<u>\$ (0.51)</u>

Potentially dilutive securities that are not included in the calculation of diluted net loss per share because doing so would be antidilutive are as follows:

	Year Ended December 31,		
	2014	2013	2012
Common stock options	15,897,422	23,399,374	36,115,460
Restricted stock units	9,941,074	5,427,509	1,457,870
Common stock subject to repurchase	13,597	91,504	235,066
ESPP obligations	272,294	226,093	435,945
Convertible senior notes	7,783,023	7,783,023	—
Warrants related to the issuance of convertible senior notes	7,783,023	7,783,023	—
Total potentially dilutive securities	<u>41,690,433</u>	<u>44,710,526</u>	<u>38,244,341</u>

(16) Income Taxes

The provision for income taxes consists of the following (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Current provision:			
Federal	\$ 2	\$ 2	\$ 187
State	216	287	200
Foreign	5,046	2,454	1,787
	<u>5,264</u>	<u>2,743</u>	<u>2,174</u>
Deferred provision:			
Federal	(232)	—	(55)
State	(24)	—	(5)
Foreign	(1,161)	(232)	(746)
	<u>(1,417)</u>	<u>(232)</u>	<u>(806)</u>
Provision for income taxes	<u>\$ 3,847</u>	<u>\$ 2,511</u>	<u>\$ 1,368</u>

The components of loss before provision for income taxes by U.S. and foreign jurisdictions were as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
United States	\$ (109,087)	\$ (35,901)	\$ (7,903)
Foreign	(66,453)	(35,296)	(28,077)
Total	<u>\$ (175,540)</u>	<u>\$ (71,197)</u>	<u>\$ (35,980)</u>

The effective income tax rate differs from the federal statutory income tax rate applied to the loss before provision for income taxes due to the following (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Tax computed at U.S. federal statutory rate	\$ (59,684)	\$ (24,207)	\$ (12,234)
State taxes, net of federal benefit	95	148	329
Tax rate differential for international subsidiaries	26,169	14,310	10,967
Stock-based compensation	9,049	3,447	3,926
Tax credits	(9,481)	(12,529)	(1,056)
Tax contingencies	121	76	452
Non-deductible expenses	1,243	550	532
Purchased intangibles	1,036	504	—
Other	(169)	(91)	(989)
Valuation allowance	35,468	20,303	(559)
Provision for income taxes	<u>\$ 3,847</u>	<u>\$ 2,511</u>	<u>\$ 1,368</u>

Significant components of our deferred tax assets are shown below (in thousands). A valuation allowance has been recognized to offset our deferred tax assets, as necessary, by the amount of any tax benefits that, based on evidence, are not expected to be realized.

	December 31,	
	2014	2013
Deferred tax assets:		
Net operating loss carryforwards	\$ 11,537	\$ 4,306
Deferred revenue	2,989	3,739
Accrued expenses	4,073	2,549
Deferred rent	1,883	1,119
Credit carryforwards	20,908	14,871
Stock-based compensation	37,956	15,464
Note Hedge	39,433	48,241
Other	3,197	2,146
Total deferred tax assets	121,976	92,435
Less valuation allowance	(62,439)	(25,795)
	59,537	66,640
Deferred tax liabilities:		
Depreciation	(11,144)	(9,608)
Convertible notes	(44,995)	(54,817)
Purchased intangibles	—	(1,239)
Other	(726)	—
Net deferred tax assets	\$ 2,672	\$ 976

As of December 31, 2014, we had U.S. federal net operating loss and federal tax credit carryforwards of approximately \$704.5 million and \$17.1 million, respectively. The federal net operating loss carryforwards and federal tax credits will begin to expire in 2024 if not utilized. In addition, we had state net operating loss and state tax credit carryforwards of approximately \$244.7 million and \$12.8 million, respectively. The state net operating loss and tax credit carryforwards will begin to expire in 2019 if not utilized. Utilization of our net operating loss and credit carryforwards may be subject to annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration of the net operating loss and tax credit carry forwards before utilization.

Approximately \$678.2 million of federal net operating losses and \$215.9 million of state net operating losses relate to stock-based compensation deductions in excess of book expense, the tax effect of which would be to credit additional paid-in capital, if realized.

We maintain a full valuation allowance against our U.S. deferred tax assets as of December 31, 2014. We regularly assess the need for a valuation allowance against our deferred tax assets. In making that assessment, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. Due to cumulative losses over recent years and based on all available evidence, we have determined that it is more likely than not that net deferred tax assets in the U.S. will not be realized. We have determined that \$2.7 million related to deferred tax assets in certain foreign jurisdictions should be realized since certain foreign entities have cumulative income, and expected future income. The valuation allowance increased \$36.6 million for the year ended December 31, 2014, increased \$12.5 million for the year ended December 31, 2013 and decreased \$0.6 million for the year ended December 31, 2012. The change in valuation allowance between the years ended December 31, 2014 and 2013 is primarily attributable to a decrease of deferred tax liabilities related to the Notes and an increase of deferred tax assets related to stock-based compensation, net operating losses, and the extension of the federal research and development tax credit for the year ended December 31, 2014. We will continue to assess the likelihood of realization of the deferred tax assets in each of the applicable jurisdictions in future periods and will adjust the valuation allowance accordingly.

We have not recorded a provision for deferred U.S. tax expense that could result from the remittance of foreign undistributed earnings since we intend to reinvest the earnings of these foreign subsidiaries indefinitely.

Our share of the undistributed earnings of foreign corporations not included in our consolidated federal income tax returns that could be subject to additional U.S. income tax if remitted was approximately two thousand dollars and \$0.5 million as of December 31, 2014 and 2013, respectively. The determination of the amount of unrecognized U.S federal deferred income tax liability for undistributed earnings is not practicable.

A reconciliation of the beginning and ending balance of total unrecognized tax benefits is as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Balance, beginning period	\$ 4,810	\$ 1,725	\$ 710
Tax positions taken in prior period:			
Gross increases	45	333	827
Gross decreases	(313)	(14)	(65)
Tax positions taken in current period:			
Gross increases	4,704	2,784	264
Lapse of statute of limitations	(88)	(18)	(11)
Balance, end of period	\$ 9,158	\$ 4,810	\$ 1,725

As of December 31, 2014, we had gross unrecognized tax benefits of approximately \$9.2 million, of which \$2.9 million would impact the effective tax rate, if recognized. We recognize accrued interest and penalties related to unrecognized tax benefits as income tax expense. Accrued interest and penalties included in our liability related to unrecognized tax benefits were \$0.4 million at December 31, 2014 and 2013. The amount of unrecognized tax benefits could be reduced upon expiration of the applicable statutes of limitations. The potential reduction in unrecognized tax benefits during the next 12 months is not expected to be material. Interest and penalties accrued on these uncertain tax positions will be released upon the expiration of the statutes of limitations and these amounts are also not material.

We are subject to taxation in the United States and foreign jurisdictions. As of December 31, 2014, our tax years of 2005 to 2014 remain subject to examination in most jurisdictions. We are currently protesting the results of the examination by the U.S. Internal Revenue Service for the June 30, 2011 and December 31, 2011 tax years.

There are differing interpretations of tax laws and regulations, and as a result, disputes may arise with tax authorities involving issues of the timing and amount of deductions and allocations of income among various tax jurisdictions. We periodically evaluate our exposures associated with our tax filing positions. We believe that adequate amounts have been reserved for any adjustments that may ultimately result from these examinations, and we do not anticipate a significant impact to our gross unrecognized tax benefits within the next twelve months related to these years. Although the timing of the resolution, settlement, and closure of any audit is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next twelve months. However, given the number of years that remain subject to examination, we are unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits.

(17) Related Party Transactions

As part of our sale of Series C and Series D preferred stock, we recorded a liability of \$5.3 million for withholding taxes associated with the repurchase of our founder's shares plus potential interest and penalties that may be imposed by the tax authorities. We recorded an offsetting receivable of \$5.3 million in prepaid expenses and other current assets at June 30, 2010, representing the total amount that was subsequently paid to us by our founder in February 2012 for these withholding taxes. In April 2012, we paid \$5.3 million to the tax authorities for these withholding taxes.

(18) Commitments and Contingencies

Leases

We lease facilities for data center capacity and office space under non-cancelable operating lease agreements with various expiration dates. Rent expense associated with data center leases, included in cost of revenues, was \$13.1 million, \$9.5 million and \$13.3 million for the years ended December 31, 2014, 2013 and 2012, respectively. Rent expense associated with office space leases was \$15.0 million, \$8.1 million and \$4.5 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Annual future minimum payments under these operating leases as of December 31, 2014 are presented in the table below (in thousands).

	Data Centers	Office Leases	Total
Fiscal Period:			
2015	\$ 9,561	\$ 15,511	\$ 25,072
2016	7,093	25,440	32,533
2017	2,093	27,432	29,525
2018	610	26,690	27,300
2019	628	24,647	25,275
Thereafter	24	143,843	143,867
Total minimum lease payments	\$ 20,009	\$ 263,563	\$ 283,572
Less: non-cancelable sublease income	—	(6,689)	(6,689)
	\$ 20,009	\$ 256,874	\$ 276,883

In February 2012, we signed a lease for our new San Diego office that was subsequently amended in December 2013. The lease is for approximately 155,443 square feet of office space with total minimum lease commitments of approximately \$27.8 million. The lease commenced in August 2012 and will expire in September 2022.

During the year ended December 31, 2012, we relocated our San Diego office to another facility in San Diego. As part of this move, we incurred \$2.5 million in lease abandonment costs, which primarily consists of a loss on disposal of assets recorded upon vacating our prior facility in August 2012. The lease on our prior San Diego facility does not expire until 2019 and we are currently subleasing the space. The cease-use loss was calculated as the present value of the remaining lease obligation offset by estimated sublease rental receipts during the remaining lease period, adjusted for deferred items and estimated lease incentives. As of December 31, 2014 and 2013, our facility exit obligation balance was \$0.5 million and \$1.4 million, respectively. The lease abandonment costs are included in general and administrative expense in our consolidated statements of comprehensive loss.

In September 2012, we signed a lease for a total of 43,590 square feet of office space located in Amsterdam. The square-footage for the first year is approximately 17,857 and increases incrementally over the term of the lease, with total minimum lease commitments of approximately \$10.5 million. The lease commenced in October 2012 and has a term of 10.5 years.

In November, 2012, we entered into a lease agreement for 148,704 square feet of office space located in San Jose. The lease commenced in April 2013 and has a term of approximately 11 years. Rent is paid on a monthly basis and will increase incrementally over the term of the lease for total minimum lease payments of approximately \$48.8 million.

In December 2014, we entered into a lease agreement for 328,867 square feet of space, located in Santa Clara. The initial term of the lease is expected to commence on August 15, 2015, although the commencement date may be extended in certain circumstances if specified improvements have not been completed by such date. The initial term shall be for 12 years following the commencement date, with two options to renew the lease for additional terms of five years each. Rent is paid on a monthly basis and will increase incrementally over the term of the lease for total minimum lease payments of approximately \$151.1 million.

Legal Proceedings

From time to time, we are party to litigation and other legal proceedings in the ordinary course of business. While the results of any litigation or other legal proceedings are uncertain, management does not believe the ultimate resolution of any pending legal matters is likely to have a material adverse effect on our financial position, results of operations or cash flows, except as discussed below and for those matters for which we have recorded a loss contingency. We accrue for loss contingencies when it is both probable that we will incur the loss and when we can reasonably estimate the amount of the loss or range of loss.

Generally, our subscription agreements require us to defend our customers for third-party intellectual property infringement and other claims. Any adverse determination related to intellectual property claims or other litigation could prevent us from offering our services and adversely affect our financial condition and results of operations.

On February 6, 2014, Hewlett-Packard Company filed a lawsuit against us in the U.S. District Court for the Northern District of California that alleges that some of our services infringe the claims of eight of Hewlett-Packard's patents. Hewlett-Packard is seeking unspecified damages and an injunction. The court held case management conferences on June 26, 2014, September 4, 2014 and February 5, 2015. The parties are currently conducting discovery. Hewlett-Packard served infringement contentions on July 3, 2014 and November 18, 2014. We served invalidity contentions on January 9, 2015. A claim construction hearing is scheduled for June 12, 2015. Trial is currently scheduled to begin on May 16, 2016. We have filed petitions for *inter partes* review of all eight asserted patents with the United States Patent and Trademark Office.

On September 23, 2014, BMC Software, Inc. filed a lawsuit against us in the U.S. District Court for the Eastern District of Texas that alleges that some of our services willfully infringe the claims of seven of BMC's patents. BMC is seeking unspecified damages and an injunction. Motions to dismiss and transfer venue are currently pending. BMC served infringement contentions on January 6, 2015. Our invalidity contentions are due March 3, 2015. A claim construction hearing is scheduled for July 10, 2015. Trial is currently scheduled to begin on March 14, 2016.

We intend to vigorously defend these lawsuits. These litigation matters are still in their early stages and the final outcome, including our liability, if any, with respect to the claims in the lawsuits, is uncertain. If an unfavorable outcome were to occur in either litigation, the impact could be material to our business, financial condition, cash flow or results of operations, depending on the specific circumstances of the outcome. We cannot make a reasonable estimate of the potential loss or range of loss, if any, arising from these matters.

(19) Information about Geographic Areas

Revenues by geographic area, based on the billing location of the customer, were as follows for the periods presented (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Revenues by geography			
North America ⁽¹⁾	\$ 465,332	\$ 295,400	\$ 173,001
EMEA ⁽²⁾	173,635	105,177	60,579
Asia Pacific and other	43,596	24,073	10,132
Total revenues	<u>\$ 682,563</u>	<u>\$ 424,650</u>	<u>\$ 243,712</u>

Long-lived assets by geographic area were as follows (in thousands):

	December 31,	
	2014	2013
Long-lived assets:		
North America ⁽³⁾	\$ 66,489	\$ 52,937
EMEA ⁽²⁾	27,032	18,017
Asia Pacific and other	10,716	4,606
Total long-lived assets	<u>\$ 104,237</u>	<u>\$ 75,560</u>

(1) Revenues attributed to the United States were approximately 94% of North America revenues for each of the years ended December 31, 2014, 2013 and 2012.

(2) Europe, the Middle East and Africa, or EMEA

(3) Long-lived assets attributed to the United States were approximately 97% of North America long-Lived asset for each of the years ended December 31, 2014 and 2013.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2014. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of December 31, 2014, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Annual Report on Form 10-K.

(c) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Our next Annual Meeting of Stockholders is scheduled for June 10, 2015.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

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

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this Annual Report on Form 10-K:

(a) Financial Statements

The information concerning our financial statements, and Report of Independent Registered Public Accounting Firm required by this Item is incorporated by reference herein to the section of this Annual Report on Form 10-K in Item 8, entitled “ Consolidated Financial Statements and Supplementary Data.”

(b) Financial Statement Schedules

All schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in the Consolidated Financial Statements or accompanying notes thereto.

(c) Exhibits.

The list of exhibits filed with this report is set forth in the Exhibit Index following the signature pages and is incorporated herein by reference.

SIGNATURES

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

Dated: February 27, 2015

SERVICENOW, INC.

By: /s/ Frank Sloomman

Frank Sloomman
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Frank Sloomman and Michael P. Scarpelli, and each of them, as his true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him and in his name, place or stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this report has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Frank Sloomman</u> Frank Sloomman	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	February 27, 2015
<u>/s/ Michael P. Scarpelli</u> Michael P. Scarpelli	Chief Financial Officer <i>(Principal Financial Officer and Principal Accounting Officer)</i>	February 27, 2015
<u>/s/ Frederic B. Luddy</u> Frederic B. Luddy	Chief Product Officer and Director	February 27, 2015
<u>/s/ Paul V. Barber</u> Paul V. Barber	Director	February 27, 2015
<u>/s/ Susan L. Bostrom</u> Susan L. Bostrom	Director	February 27, 2015
<u>/s/ Ronald E.F. Codd</u> Ronald E. F. Codd	Director	February 27, 2015
<u>/s/ Charles Giancarlo</u> Charles Giancarlo	Director	February 27, 2015
<u>/s/ Douglas M. Leone</u> Douglas M. Leone	Director	February 27, 2015
<u>/s/ Jeffrey A. Miller</u> Jeffrey A. Miller	Director	February 27, 2015
<u>/s/ Anita M. Sands</u> Anita M. Sands	Director	February 27, 2015
<u>/s/ William L. Strauss</u> William L. Strauss	Director	February 27, 2015

EXHIBIT INDEX

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation.	10-Q	001-35580	3.1	8/10/2012	
3.2	Restated Bylaws.	8-K	001-35580	3.1	12/10/2014	
4.1	Form of Common Stock Certificate.	S-1/A	333-180486	4.1	6/19/2012	
4.2	Indenture dated November 13, 2013 between ServiceNow, Inc. and Wells Fargo Bank, National Association.	8-K	001-35580	4.1	11/13/2013	
4.3	Third Amended and Restated Investors Rights Agreement dated November 25, 2009 among the Registrant and certain of its stockholders.	S-1	333-180486	4.2	3/30/2012	
10.1*	Form of Indemnification Agreement.					x
10.2*	2005 Stock Plan, Forms of Stock Option Agreement and Form of Restricted Stock Unit Agreement thereunder.	S-1	333-180486	10.2	3/30/2012	
10.3*	2012 Equity Incentive Plan, Forms of Stock Option Award Agreement, Restricted Stock Agreement, Stock Appreciation Right Award Agreement and Restricted Stock Unit Award Agreement thereunder.	S-1/A	333-180486	10.3	6/19/2012	
10.4*	Form of Stock Option Award Agreement and Restricted Stock Unit Award Agreement under 2012 Equity Incentive Plan adopted as of January 27, 2015.					x
10.5*	2012 Employee Stock Purchase Plan and Form of Subscription Agreement thereunder.	10-K	001-35580	10.4	3/8/2013	
10.6*	Form of Subscription Agreement under 2012 Employee Stock Purchase Plan adopted as of January 27, 2015.					x
10.7*	Employment Agreement dated May 2, 2011 among the Registrant and Frank Slooman.	S-1	333-180486	10.5	3/30/2012	
10.8*	First Amendment to Employment Agreement dated April 23, 2014 among Registrant and Frank Slooman.	10-Q	001-35580	10.1	8/7/2014	
10.9*	Employment Agreement dated May 12, 2011 among the Registrant and Michael P. Scarpelli.	S-1	333-180486	10.6	3/30/2012	
10.10*	First Amendment to Employment Agreement dated August 15, 2014 among Registrant and Michael P. Scarpelli.	10-Q	001-35580	10.2	11/5/2014	
10.11*	Employment Agreement dated May 21, 2011 among the Registrant and David L. Schneider.	S-1	333-180486	10.7	3/30/2012	
10.12*	First Amendment to Employment Agreement dated July 3, 2014 among Registrant and David L. Schneider.	10-Q	001-35580	10.1	11/5/2014	
10.13*	Employment Agreement dated August 1, 2011 among the Registrant and Daniel R. McGee.	S-1	333-180486	10.8	3/30/2012	
10.14*	First Amendment to Employment Agreement dated August 15, 2014 among Registrant and Daniel R. McGee.	10-Q	001-35580	10.3	11/5/2014	
10.15	Lease Agreement dated November 8, 2012 between the Registrant and Jay Ridge LLC.	S-1/A	333-184674	10.12	11/9/2012	

<u>Exhibit Number</u>	<u>Description of Document</u>	<u>Incorporated by Reference</u>				<u>Filed Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
10.16	Office Lease dated December 12, 2014 between Registrant and S1 55 LLC	8-K	001-35580	10.1	12/15/2014	
10.17	Form of Base Convertible Note Hedge Transaction Confirmation.	8-K	001-32224	99.1	11/13/2013	
10.18	Form of Base Warrant Transaction Confirmation.	8-K	001-32224	99.2	11/13/2013	
10.19	Form of Additional Convertible Note Hedge Transaction Confirmation.	8-K	001-32224	99.3	11/13/2013	
10.20	Form of Additional Warrant Transaction Confirmation.	8-K	001-32224	99.4	11/13/2013	
21.1	Subsidiaries of the Registrant.					x
23.1	Consent of independent registered public accounting firm.					x
24.1	Power of Attorney. Reference is made to the signature page hereto.					x
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002					x
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002					x
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					x
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					x
101.INS	XBRL Instance Document					x
101.SCH	XBRL Taxonomy Schema Linkbase Document					x
101.CAL	XBRL Taxonomy Calculation Linkbase Document					x
101.DEF	XBRL Taxonomy Definition Linkbase Document					x
101.LAB	XBRL Taxonomy Labels Linkbase Document					x
101.PRE	XBRL Taxonomy Presentation Linkbase Document					x

*Indicates a management contract, compensatory plan or arrangement.

INDEMNITY AGREEMENT

This Indemnity Agreement, dated as of _____, is made by and between ServiceNow, Inc., a Delaware corporation (the “Company”), and _____, a director, officer or key employee of the Company or one of its Subsidiaries or Affiliates who satisfies the definition of Indemnifiable Person (each as defined below) (“Indemnitee”).

RECITALS

A. The Company is aware that competent and experienced persons are increasingly reluctant to serve as representatives of corporations unless they are protected by comprehensive liability insurance and are afforded rights to indemnification and advancement of Expenses (as defined below), due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no relationship to the compensation of such representatives;

B. The members of the Board of Directors of the Company (the “Board”) have concluded that to retain and attract talented and experienced individuals to serve as representatives of the Company and its Subsidiaries and Affiliates and to encourage such individuals to take the business risks necessary for the success of the Company and its Subsidiaries and Affiliates, it is necessary for the Company to contractually indemnify certain of its representatives and the representatives of its Subsidiaries and Affiliates, and to assume for itself maximum liability for Expenses and Other Liabilities in connection with claims against such representatives in connection with their service to the Company and its Subsidiaries and Affiliates;

C. Section 145 (“Section 145”) of the Delaware General Corporation Law (the “GCL”), contemplates that the Company may extend contractual rights to indemnification and advancement of Expenses to its officers, directors, employees and agents, and to persons who serve, at the request of the Company, as directors, officers, employees or agents of other corporations, partnerships, joint ventures, trusts or other enterprises;

D. This Agreement is a supplement to and in furtherance of any rights to indemnification or advancement of Expenses that are, or may be extended to, Indemnitee under the Company’s Certificate of Incorporation and Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

E. Indemnitee does not regard either the protection available under the Company’s Certificate of Incorporation and Bylaws or the protection afforded by the Company’s directors’ and officers’ liability insurance as adequate in the present circumstances, and may not be willing to serve as a director, officer, employee and or agent of the Company (and or in any other capacity at the request of the Company) without adequate protection;

F. The Company desires and has requested Indemnitee to serve or continue to serve as a representative of the Company and/or the Subsidiaries or Affiliates of the Company free from undue concern about inappropriate claims for damages arising out of or related to such services to the Company and/or the Subsidiaries or Affiliates of the Company;

G. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company and/or the Subsidiaries or Affiliates of the Company on the condition that Indemnitee be extended the contractual rights to indemnification and advancement of Expenses set forth herein.

AGREEMENT

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Affiliate. For purposes of this Agreement, “Affiliate” of the Company means any corporation, partnership, limited liability company, joint venture, trust or other enterprise in respect of which Indemnitee is or was serving, or has agreed to serve, as a director, officer, trustee, manager, member, partner, employee, agent, attorney, consultant, member of the entity’s governing body (whether constituted as a board of directors, board of managers, general partner or otherwise), fiduciary, or in any other similar capacity at the request, election or direction of the Company, and including, but not limited to, any employee benefit plan of the Company or a Subsidiary or Affiliate of the Company.

(b) Change in Control. For purposes of this Agreement, “Change in Control” means the occurrence of any of the following: (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a Subsidiary or a trustee or other fiduciary holding securities under an employee benefit plan of the Company or Subsidiary, is or becomes the “Beneficial Owner” (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company’s then outstanding capital stock; (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the outstanding capital stock of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into capital stock of the surviving entity) at least 80% of the total voting power represented by the capital stock of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of related transactions) of all or substantially all of the Company’s assets.

(c) Expenses. For purposes of this Agreement, “Expenses” means all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys’ fees and related disbursements, and other out-of-pocket costs), paid or incurred by Indemnitee in connection with either the investigation, defense or appeal of, or being a participant (including as a witness) in, a Proceeding, or establishing or enforcing a right to indemnification or advancement of Expenses under this Agreement, Section 145 or otherwise; provided, however, that Expenses shall not include any judgments, fines, ERISA (or other benefit plan related) excise taxes or penalties or amounts paid in settlement of a Proceeding.

(d) Indemnifiable Event. For purposes of this Agreement, “Indemnifiable Event” means any event or occurrence related to Indemnitee’s service for the Company or any Subsidiary or Affiliate as

an Indemnifiable Person (as defined below), or by reason of anything done or not done, or any act or omission, by Indemnitee in any such capacity.

(e) Indemnifiable Person. For the purposes of this Agreement, “Indemnifiable Person” means any person who is or was a director, officer, trustee, manager, member, partner, employee, attorney, consultant, member of an entity’s governing body (whether constituted as a board of directors, board of managers, general partner or otherwise) or other agent or fiduciary of the Company or a Subsidiary or Affiliate of the Company.

(f) Independent Counsel. For purposes of this Agreement, “Independent Counsel” means legal counsel that has not performed services for the Company or Indemnitee in the five years preceding the time the determination as to whether such counsel is independent is made and that would not, under applicable standards of professional conduct, have a conflict of interest in representing either the Company or Indemnitee.

(g) Independent Director. For purposes of this Agreement, “Independent Director” means a member of the Board who is not a party to the Proceeding for which a claim is made under this Agreement.

(h) Other Liabilities. For purposes of this Agreement, “Other Liabilities” means any and all liabilities of any type whatsoever (including, but not limited to, judgments, fines, penalties, ERISA (or other benefit plan related) excise taxes or penalties, and amounts paid in settlement of a Proceeding and all interest, taxes, assessments and other charges paid or payable in connection with or in respect of any such judgments, fines, ERISA (or other benefit plan related) excise taxes or penalties, or amounts paid in settlement).

(i) Proceeding. For the purposes of this Agreement, “Proceeding” means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, investigative, legislative or any other type whatsoever, preliminary, informal or formal, including any arbitration or other alternative dispute resolution and including any appeal of any of the foregoing.

(j) Subsidiary. For purposes of this Agreement, “Subsidiary” means any entity of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company.

2. Agreement to Serve. The Indemnitee agrees to serve and/or continue to serve as an Indemnifiable Person in the capacity or capacities in which Indemnitee currently serves the Company as an Indemnifiable Person, and any additional capacity in which Indemnitee may agree to serve, until such time as Indemnitee’s service in a particular capacity shall end according to the terms of an agreement, the Company’s Certificate of Incorporation or Bylaws, governing law, or otherwise. This Agreement shall not be deemed an employment contract between the Company or any of its Subsidiaries or Affiliates, on the one hand, and Indemnitee, on the other. Nothing contained in this Agreement is intended to create any right to continued employment or other form of service for the Company or a Subsidiary or Affiliate of the Company by Indemnitee. Without limiting the foregoing, Indemnitee specifically acknowledges that Indemnitee’s employment, if any, with the Company (or any of its Subsidiaries or Affiliates) is at will and that Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written agreement between Indemnitee and the Company (or any of its Subsidiaries or Affiliates), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Company’s Certificate of Incorporation or Bylaws and the GCL.

3. Mandatory Indemnification.

(a) Agreement to Indemnify. In the event Indemnitee is a person who was or is a party to or witness in or is threatened to be made a party to or witness in any Proceeding by reason of an Indemnifiable Event, the Company shall indemnify Indemnitee from and against any and all Expenses and Other Liabilities incurred by Indemnitee in connection with (including in preparation for) such Proceeding to the fullest extent not prohibited by the GCL, as the same may be amended from time to time (but only to the extent that such amendment permits the Company to provide broader indemnification rights than the GCL permitted prior to the adoption of such amendment).

(b) Exception for Amounts Covered by Insurance and Other Sources. Notwithstanding the foregoing, the Company shall not be obligated to indemnify Indemnitee for Expenses or Other Liabilities of any type whatsoever (including, but not limited to judgments, fines, penalties, ERISA (or other benefit plan related) excise taxes or penalties and amounts paid in settlement of a Proceeding) to the extent such Expenses or Other Liabilities have been paid directly to Indemnitee (or paid directly to a third party on Indemnitee's behalf) by any directors and officers, or other type, of insurance maintained by or on behalf of the Company.

(c) Company Obligations Primary. The Company hereby acknowledges that Indemnitee may have rights to indemnification for Expenses and Other Liabilities provided by [name of VC or other sponsoring organization ("Other Indemnitor")]. The Company agrees with Indemnitee that the Company is the indemnitor of first resort of Indemnitee with respect to matters for which indemnification is provided under this Agreement and that the Company will be obligated to make all payments due to or for the benefit of Indemnitee under this Agreement without regard to any rights that Indemnitee may have against the Other Indemnitor. The Company hereby waives any equitable rights to contribution or indemnification from the Other Indemnitor in respect of any amounts paid to Indemnitee hereunder. The Company further agrees that no reimbursement of Other Liabilities or payment of Expenses by the Other Indemnitor to or for the benefit of Indemnitee shall affect the obligations of the Company hereunder, and that the Company shall be obligated to repay the Other Indemnitor for all amounts so paid or reimbursed to the extent that the Company has an obligation to indemnify Indemnitee for such Expenses or Other Liabilities hereunder.

4. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses or Other Liabilities but is not entitled to indemnification for the total amount of such Expenses or Other Liabilities, the Company shall nevertheless indemnify Indemnitee for such total amount except as to the portion thereof for which indemnification is prohibited by the GCL. In any review or Proceeding to determine the extent of indemnification, the Company shall bear the burden to establish, by clear and convincing evidence, the lack of a successful resolution of a particular claim, issue or matter and which amounts sought in indemnity are allocable to claims, issues or matters which were not successfully resolved.

5. Liability Insurance. So long as Indemnitee shall continue to serve the Company or a Subsidiary or Affiliate of the Company as an Indemnifiable Person and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed Proceeding as a result of an Indemnifiable Event, the Company shall use reasonable efforts to maintain in full force and effect for the benefit of Indemnitee as an insured (i) liability insurance issued by one or more reputable insurers and having the policy amount and deductible deemed appropriate by the Board and providing in all respects coverage at least comparable to and in the same amount as that being provided to the Chairman of the Board or the Chief Executive Officer of the Company and (ii) any replacement or substitute policies issued by one or more reputable insurers providing in all respects coverage at least comparable to and in the same amount as that being provided to

the Chairman of the Board or the Chief Executive Officer of the Company. The purchase, establishment and maintenance of any such insurance or other arrangements shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such insurance or other arrangement. In the event of a Change in Control subsequent to the date of this Agreement, or the Company's becoming insolvent, including being placed into receivership or entering the federal bankruptcy process, the Company shall maintain in force any directors' and officers' liability insurance policies then maintained by the Company in providing insurance in respect of Indemnitee for a period of not less than six years after the date of such Change of Control or the date on which the Company became insolvent, as applicable.

6. Mandatory Advancement of Expenses. If requested by Indemnitee, the Company shall advance prior to the final disposition of the Proceeding all Expenses reasonably incurred by Indemnitee in connection with (including in preparation for) a Proceeding not initiated by Indemnitee related to an Indemnifiable Event. Indemnitee hereby undertakes to repay such amounts advanced if, and only if and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company under the GCL, and no additional form of undertaking with respect to such obligation to repay shall be required. The advances to be made hereunder shall be paid by the Company to Indemnitee or directly to a third party designated by Indemnitee within thirty (30) days following delivery of a written request therefor by Indemnitee to the Company. Indemnitee's undertaking to repay any Expenses advanced to Indemnitee hereunder shall be unsecured and shall not be subject to the accrual or payment of any interest thereon. In the event that Indemnitee's request for the advancement of Expenses shall be accompanied by an affidavit of counsel to Indemnitee to the effect that such counsel has reviewed such Expenses and that such Expenses are reasonable in such counsel's view, then such Expenses shall be deemed reasonable in the absence of clear and convincing evidence to the contrary.

7. Notice and Other Indemnification Procedures.

(a) Notification. As soon as reasonably practicable after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, Indemnitee shall, if Indemnitee believes that indemnification or advancement of Expenses with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof. However, Indemnitee's failure to so notify the Company, or any delay in Indemnitee's provision of such notice, shall not relieve the Company from any liability that it may have to Indemnitee hereunder or otherwise, except to the extent that the Company is materially prejudiced in its defense of such Proceeding as a result of such failure.

(b) Insurance and Other Matters. If, at the time of the receipt of a notice of the commencement of a Proceeding pursuant to Section 7(a) above, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the issuers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such insurance policies.

(c) Assumption of Defense. In the event the Company shall be obligated to advance the Expenses for any Proceeding against Indemnitee, the Company, if deemed appropriate by the Company, shall be entitled to assume the defense of such Proceeding as provided herein. Such defense by the Company may include the representation of two or more parties by one attorney or law firm as permitted under the

ethical rules and legal requirements related to joint representations. Following delivery of written notice to Indemnitee of the Company's election to assume the defense of such Proceeding, the approval by Indemnitee (which approval shall not be unreasonably withheld) of counsel designated by the Company and the retention of such counsel by the Company, for so long as such counsel is acting on behalf of Indemnitee in the Proceeding, the Company will not be liable to Indemnitee under this Agreement for any fees and expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. If (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have notified the Board in writing that Indemnitee has reasonably concluded that there is likely to be a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company fails to employ counsel to assume the defense of such Proceeding, the fees and expenses of Indemnitee's counsel shall be subject to indemnification and/or advancement pursuant to the terms of this Agreement. Nothing herein shall prevent Indemnitee from employing counsel for any such Proceeding at Indemnitee's expense.

(d) Settlement. The Company shall not be liable to indemnify Indemnitee under this Agreement or otherwise for any amounts paid in settlement of any Proceeding effected without the Company's written consent; provided, however, that if a Change in Control has occurred subsequent to the date of this Agreement, the Company shall be liable for indemnification of Indemnitee for amounts paid in settlement if the Independent Counsel has approved the settlement. Neither the Company nor any Subsidiary or Affiliate shall enter into a settlement of any Proceeding that might result in the imposition of any Expense, Other Liability, penalty, limitation or detriment on Indemnitee, whether indemnifiable under this Agreement or otherwise, without Indemnitee's written consent. Neither the Company nor Indemnitee shall unreasonably withhold consent from any settlement of any Proceeding. The Company shall promptly notify Indemnitee upon the Company's receipt of an offer to settle, or if the Company makes an offer to settle, any Proceeding, and provide Indemnitee with a reasonable amount of time to consider such settlement, in the case of any such settlement for which the consent of Indemnitee would be required hereunder. The Company shall not, on its own behalf, settle any part of any Proceeding to which Indemnitee is a party with respect to other parties (including the Company) without the written consent of Indemnitee if any portion of the settlement is to be funded from insurance proceeds unless approved by a majority of the Independent Directors, provided that this sentence shall cease to be of any force and effect if it has been determined in accordance with this Agreement that Indemnitee is not entitled to indemnification hereunder with respect to such Proceeding or if the Company's obligations hereunder to Indemnitee with respect to such Proceeding have been fully discharged.

8. Determination of Right to Indemnification.

(a) Success on the Merits or Otherwise. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 8 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(b) Partial Indemnification in Other Situations. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) Standard of Conduct Determination. Indemnitee shall be entitled to select the manner in which any determination of whether or not Indemnitee has met the applicable standard of conduct necessary to demonstrate Indemnitee's entitlement to indemnification under the GCL shall be decided, and such election will be made from among the following:

- (1) Those members of the Board who are Independent Directors, even though less than a quorum;
- (2) A committee of Independent Directors designated by a majority vote of Independent Directors, even though less than a quorum; or
- (3) Independent Counsel selected by Indemnitee and approved by the Board, which approval may not be unreasonably withheld, which counsel shall make such determination in a written opinion.

If Indemnitee is an officer or a director of the Company at the time that Indemnitee is selecting the manner in which such determination is made, then Indemnitee shall not select Independent Counsel to make such determination unless there are no Independent Directors or unless the Independent Directors direct that such determination shall be made by Independent Counsel. The party selected to make such standard of conduct determination shall be referred to herein as the "Reviewing Party." Notwithstanding the foregoing, following any Change in Control subsequent to the date of this Agreement, the Reviewing Party shall be Independent Counsel selected in the manner provided in Section 8(c)(3) above.

(d) As soon as practicable, and in no event later than thirty (30) days after receipt by the Company of written notice of Indemnitee's selection of the Reviewing Party pursuant to Section 8(c) above, the Company and Indemnitee shall each submit to the Reviewing Party such information as they believe is appropriate for the Reviewing Party to consider. The Reviewing Party shall arrive at its decision within a reasonable period of time following the receipt of all such information from the Company and Indemnitee, but in no event later than thirty (30) days following the receipt of all such information, provided that the time by which the Reviewing Party must reach a decision may be extended by mutual agreement of the Company and Indemnitee. All Expenses associated with the process set forth in this Section 8(d), including but not limited to the Expenses of the Reviewing Party, shall be paid by the Company and, in the event Independent Counsel is the Reviewing Party, the Company shall indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(e) Remedies of Indemnitee. In the event that (i) a determination is made pursuant to this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) any advancement of Expenses is not timely made pursuant to Section 6 of this Agreement, (iii) no required determination of entitlement to indemnification shall have been made within thirty (30) days (or such longer period as may be mutually agreed) after the Reviewing Party's receipt of the information contemplated by Section 8(d), (iv) payment of indemnification is not made pursuant to Section 8(a) within ten (10) days after receipt by

the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3(a), 4 or 8(b) of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court of Chancery of Indemnitee's entitlement to such indemnification or advancement of Expenses. If a determination shall have been made pursuant to this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 8(e), absent (x) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (y) a prohibition of such indemnification under applicable law.

(f) Expenses. Notwithstanding anything to the contrary set forth herein, the Company shall, within ten days after receipt by the Company of a written request therefor, advance such Expenses to Indemnitee which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. The Company shall indemnify Indemnitee against all Expenses incurred by Indemnitee in connection with any hearing or Proceeding under this Section 8 involving Indemnitee and against all Expenses and Other Liabilities incurred by Indemnitee in connection with any other Proceeding between the Company and Indemnitee; provided, that if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(g) Determination of "Good Faith". For purposes of any determination of whether Indemnitee acted in "good faith" Indemnitee shall be deemed to have acted in good faith if in taking or failing to take the action in question Indemnitee relied on the records or books of account of the Company or a Subsidiary or Affiliate, including financial statements, or on information, opinions, reports or statements provided to Indemnitee by the officers or other employees of the Company or a Subsidiary or Affiliate in the course of their duties, or on the advice of legal counsel for the Company or a Subsidiary or Affiliate, or on information or records given or reports made to the Company or a Subsidiary or Affiliate by an independent certified public accountant or by an appraiser or other expert selected by the Company or a Subsidiary or Affiliate, or by any other person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company or a Subsidiary or Affiliate. In connection with any determination as to whether Indemnitee is entitled to be indemnified hereunder, or to advancement of expenses, the Reviewing Party or court shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification or advancement of Expenses, as the case may be, and the burden of proof shall be on the Company to establish, by clear and convincing evidence, that Indemnitee is not so entitled. The provisions of this Section 8(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failures to act, of any other person serving the Company or a Subsidiary or Affiliate as an Indemnifiable Person shall not be imputed to Indemnitee for purposes of determining the right to indemnification hereunder.

9. Exceptions. Any other provision herein to the contrary notwithstanding,

(a) Claims Initiated by Indemnitee. The Company shall not be obligated pursuant to the terms of this Agreement to indemnify or advance Expenses to Indemnitee with respect to any Proceeding

(or any part of any Proceeding) or claims initiated or brought voluntarily by Indemnitee, including, without limitation, any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or agents or other indemnitees, and not by way of defense, except (1) with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement, any other statute or law, as permitted under Section 145, or otherwise, or (2) where the Board has consented to the initiation of such Proceeding (or part thereof) prior to its initiation; or

(b) Actions Based on Federal Statutes Regarding Profit Recovery and Return of Bonus Payments. The Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee on account of (i) any Proceeding in which judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) Unlawful Indemnification. The Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee for Expenses or Other Liabilities if such indemnification is prohibited by law as determined by a court of competent jurisdiction in a final adjudication not subject to further appeal.

10. Non-exclusivity. The provisions for indemnification and advancement of Expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, the vote of the Company's stockholders or disinterested directors, other agreements, or otherwise, both as to acts or omissions in his or her official capacity and to acts or omissions in another capacity while serving the Company or a Subsidiary or Affiliate as an Indemnifiable Person and Indemnitee's rights hereunder shall continue after Indemnitee has ceased serving the Company or a Subsidiary or Affiliate as an Indemnifiable Person and shall inure to the benefit of the heirs, executors and administrators of Indemnitee.

11. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

12. Supersession, Modification and Waiver. This Agreement supersedes any prior indemnification agreement between the Indemnitee and the Company, its Subsidiaries or its Affiliates. If the Company and Indemnitee have previously entered into a separate agreement providing for the Company's indemnification of or advancement of Expenses to Indemnitee, the parties' entry into this Agreement shall be deemed to amend and restate such prior agreement to read in its entirety as, and shall be superseded by,

this Agreement; provided, however, that this Agreement shall be a supplement to, and shall be deemed to be in furtherance of, any rights to indemnification or advancement of Expenses extended to Indemnitee by the Company from time to time under the Company's Certificate of Incorporation or Bylaws or under applicable law, and this Agreement shall in no way be deemed a substitute for, nor shall it diminish or abrogate any rights of Indemnitee thereunder. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) and except as expressly provided herein, no such waiver shall constitute a continuing waiver.

13. Successors and Assigns. The terms of this Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company).

14. Notice. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and a receipt is provided by the party to whom such communication is delivered, (ii) if mailed by certified or registered mail with postage prepaid, return receipt requested, on the signing by the recipient of an acknowledgment of receipt form accompanying delivery through the U.S. mail, (iii) personal service by a process server, or (iv) delivery to the recipient's address by overnight delivery (e.g., FedEx, UPS or DHL) or other commercial delivery service. Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice complying with the provisions of this Section 14. Delivery of communications to the Company with respect to this Agreement shall be sent to the attention of the Company's General Counsel.

15. Presumptions. For purposes of this Agreement, the termination of any Proceeding, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law or otherwise. In addition, neither the failure of the Company or a Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Company or a Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of Proceedings by Indemnitee to secure a judicial determination by exercising Indemnitee's rights under Section 8(e) of this Agreement shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has failed to meet any particular standard of conduct or did not have any particular belief or is not entitled to indemnification under applicable law or otherwise.

16. Survival of Rights. The rights conferred on Indemnitee by this Agreement shall continue after Indemnitee has ceased to serve the Company or a Subsidiary or Affiliate of the Company as an Indemnifiable Person and shall inure to the benefit of Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

17. Subrogation and Contribution. (a) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

(b) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by or on behalf of Indemnitee, whether

for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

18. Specific Performance, Etc. The parties recognize that if any provision of this Agreement is violated by the Company, Indemnatee may be without an adequate remedy at law. Accordingly, in the event of any such violation, Indemnatee shall be entitled, if Indemnatee so elects, to institute Proceedings, either in law or at equity, to enforce this Agreement by seeking injunctive relief or specific performance, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief, Indemnatee shall not be precluded from seeking or obtaining any other relief to which Indemnatee may be entitled. The parties further agree that Indemnatee shall be entitled to such specific performance and injunctive relief without the need of posting bonds or other undertakings in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnatee by the Delaware Court of Chancery, and the Company hereby waives any such requirement of a bond or undertaking.¹

19. Counterparts. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

20. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

21. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof.

22. Consent to Jurisdiction. Each of the Company and Indemnatee hereby irrevocably (i) agrees that any action, suit or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States or any court in any other jurisdiction, (ii) consents to submit to the jurisdiction of the Delaware Court of Chancery for purposes of any action, suit or proceeding which arises out of or relates to this Agreement, (iii) agrees to appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, the registered agent of the Company in the State of Delaware as in effect from time to time (or, if the Company or its successor and/or assign ceases to have a registered agent in the State of Delaware, its last registered agent) as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action, suit or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

¹ NTD: Waiving the posting of a bond is a very director-friendly provision - not as common, but the bond amounts can be high in Chancery Court.

23. Duration. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a representative of the Company or, at the request of the Company, as a representative of a Subsidiary or Affiliate, and (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to this Agreement relating thereto.

The parties hereto have entered into this Indemnity Agreement effective as of the date first above written.

SERVICENOW, INC.:

By: _____
Its: _____

INDEMNITEE:

Address: _____

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
NOTICE OF GLOBAL STOCK OPTION GRANT

Unless otherwise defined herein, the terms defined in the ServiceNow, Inc. (the “*Company*”) 2012 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Global Stock Option Grant and the electronic representation of this Notice of Global Stock Option Grant established and maintained by the Company or a third party designated by the Company (the “*Notice*”).

Name: As set forth in the electronic representation of this Notice of Global Stock Option Grant.

Address: As set forth in the electronic representation of this Notice of Global Stock Option Grant.

You (the “*Participant*”) have been granted an option to purchase shares of Common Stock of the Company under the Plan subject to the terms and conditions of the Plan, this Notice and the Global Stock Option Award Agreement, including any appendix to the Global Stock Option Award Agreement for Participant’s country (the “*Appendix*”) (the Stock Option Award Agreement and the Appendix are collectively referred to as the “*Agreement*”).

Grant Number : The “Grant Name” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Date of Grant : The “Grant Date” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Vesting Commencement Date : The “Vesting Start” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Exercise Price per Share : The “Exercise Price” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Total Number of Shares : The “Shares Granted” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Type of Option : The “Grant Type” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Expiration Date : The “Expiration” as set forth in the electronic representation of this Notice of Global Stock Option Grant.

Vesting Schedule: Subject to the limitations set forth in this Notice, the Plan and the Agreement, the Option will vest and may be exercised, in whole or in part, in accordance with the following schedule:
As set forth in the “Vesting Schedule Addendum” in the electronic representation of this Notice of Global Stock Option Grant.

By accepting (whether in writing, electronically or otherwise) the Option, Participant acknowledges and agrees to the following:

Participant understands that Participant’s employment or consulting relationship or service with the Company or a Parent or Subsidiary is for an unspecified duration and that nothing in this Notice, the Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the Options pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company or a Parent or Subsidiary. Furthermore, the period during which Participant may exercise the Option after such Termination will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant’s employment agreement. Participant also understands that this Notice is subject to the terms and conditions of both the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the Agreement and the Plan. By accepting this Option, Participant consents to the electronic delivery as set forth in the Agreement.

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
GLOBAL STOCK OPTION AWARD AGREEMENT

Unless otherwise defined in this Global Stock Option Award Agreement (the “*Agreement*”), any capitalized terms used herein shall have the meaning ascribed to them in the ServiceNow, Inc. (the “*Company*”) 2012 Equity Incentive Plan (the “*Plan*”).

Participant has been granted an option to purchase Shares (the “*Option*”), subject to the terms and conditions of the Plan, the Notice of Global Stock Option Grant (the “*Notice*”) and this Agreement, including any appendix to this Agreement for Participant’s country (the “*Appendix*”).

1. **Vesting Rights.** Subject to the applicable provisions of the Plan and this Agreement, this Option may be exercised, in whole or in part, in accordance with the schedule set forth in the Notice.

2. **Termination Period.**

(a) **General Rule.** Except as provided below, and subject to the Plan, this Option may be exercised for 90 days after Participant’s Termination. In no event shall this Option be exercised later than the Expiration Date set forth in the Notice.

(b) **Death; Disability.** Unless provided otherwise in the Notice, upon Participant’s Termination by reason of his or her death, or if a Participant dies within 90 days of the Termination Date, this Option may be exercised for twelve months, provided that in no event shall this Option be exercised later than the Expiration Date set forth in the Notice. Unless provided otherwise in the Notice, upon Participant’s Termination by reason of his or her Disability, this Option may be exercised for six months, provided that in no event shall this Option be exercised later than the Expiration Date set forth in the Notice.

(c) **Cause.** Upon Participant’s Termination for Cause (as defined in the Plan), the Option shall expire on such date of Participant’s Termination Date.

3. **Grant of Option.** Participant named in the Notice has been granted an Option for the number of Shares set forth in the Notice at the exercise price per Share in U.S. Dollars set forth in the Notice (the “*Exercise Price*”). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. If designated in the Notice as an Incentive Stock Option (“*ISO*”), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an ISO, to the extent that it exceeds the U.S. \$100,000 rule of Code Section 422(d) it shall be treated as a Nonqualified Stock Option (“*NQSO*”).

4. **Exercise of Option.**

(a) **Right to Exercise.** This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice and the applicable provisions of the Plan and this Agreement. In the event of Participant’s death, Disability, Termination for Cause or other Termination, the exercisability of the Option is governed by the applicable provisions of the Plan, the Notice and this Agreement.

(b) **Method of Exercise.** This Option is exercisable by delivery of an exercise notice (the “*Exercise Notice*”), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the “*Exercised Shares*”), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any Tax-Related Items withholding (as defined in Section 8(a) below). This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice

accompanied by such aggregate Exercise Price and payment of any Tax-Related Items.

(c) No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed and any exchange control restrictions. Assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

5. **Method of Payment.** Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of Participant:

- (a) cash;
- (b) check;
- (c) a “broker-assisted” or “same-day sale” (as described in Section 11(d) of the Plan); or
- (d) other method authorized by the Committee.

6. **Limited Transferability of Option.** Except as set forth in this Section 6, this Option may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during the lifetime of Participant only by the Participant or unless otherwise permitted by the Committee on a case-by-case basis. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant. Notwithstanding anything else in this Section 6, for U.S. Participants, a NQSO may be transferred by instrument to an inter vivos or testamentary trust in which the NQSO is to be passed to beneficiaries upon the death of the trustor (settlor), to a guardian on the disability or to an executor on death of the NQSO holder, or by gift or pursuant to domestic relations orders to Participant’s “Immediate Family” (as defined below), provided that any such permitted transferees may not transfer NQSOs to parties other than Participant or Participant’s Immediate Family (transfers between a Participant’s Immediate Family and between a Participant’s Immediate Family and Participant are permitted). For the sake of clarification, multiple transfers of NQSOs may be made, by gift or pursuant to domestic relations orders, back and forth between Immediate Family and a Participant pursuant to this Section 6. “*Immediate Family*” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, domestic partner sharing the same household, 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), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or Participant) control the management of assets, and any other entity in which these persons (or Participant) own more than fifty percent of the voting interests. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, transferees, successors and assigns of Participant.

7. **Term of Option.** This Option shall in any event expire on the expiration date set forth in the Notice, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice and Section 5.3 of the Plan applies).

8. **Tax Consequences.**

(a) **Exercising the Option.** Participant acknowledges that, regardless of any action taken by the Company or a Parent or Subsidiary of the Company employing or retaining Participant (the “*Employer*”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to Participant’s participation in the Plan and legally applicable to Participant (“*Tax-Related Items*”) is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Option, including, but not limited to, the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the

terms of the grant or any aspect of this Option to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer;
- (ii) withholding from proceeds of the sale of Shares acquired at exercise of this Option either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization) without further consent;
- (iii) withholding in Shares to be issued upon exercise of the Option, provided the Company only withholds from the amount of Shares necessary to satisfy the minimum statutory withholding amount; or
- (iv) any other arrangement approved by the Committee.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full member of Shares issued upon exercise of the Options; notwithstanding that a member of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Fair Market Value of these Shares, determined as of the effective date of the Option exercise, will be applied as a credit against the Tax-Related Items withholding.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

(b) Notice of Disqualifying Disposition of ISO Shares. For U.S. taxpayers, if Participant sells or otherwise disposes 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, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out of the current earnings paid to Participant.

9. **Nature of Grant.** In accepting the Option, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future Option or other grants, if any, will be at the sole discretion of the Company;

- (d) the Option grant and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any Parent or Subsidiary;
- (e) Participant is voluntarily participating in the Plan;
- (f) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
- (g) the Option and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (h) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
- (i) if the underlying Shares do not increase in value, the Option will have no value;
- (j) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from Participant's Termination, and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (l) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and
- (m) the following provisions apply only if Participant is providing services outside the United States:
 - (i) the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purpose;
 - (ii) Participant acknowledges and agrees that neither the Company, the Employer nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of

implementing, administering and managing the Plan.

Participant understands that Data will be transferred to Fidelity Brokerage Services LLC or its affiliates or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, Fidelity Brokerage Services LLC and its affiliates, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. **Language.** If Participant has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13. **Appendix.** Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

14. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. **Acknowledgement.** The Company and Participant agree that the Option is granted under and governed by the Notice, this Agreement (including the Appendix) and by the provisions of the Plan (incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the Option subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

16. **Entire Agreement; Enforcement of Rights.** This Agreement (including the Appendix), the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver

of any rights of such party.

17. Compliance with Laws and Regulations. The issuance of Shares and any restriction on the sale of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Shares may be listed or quoted at the time of such issuance or transfer.

18. Governing Law; Severability. If one or more provisions of this Agreement are held to be unenforceable, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Jose, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

19. No Rights as Employee, Director or Consultant. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary, to terminate Participant's service, for any reason, with or without Cause.

By Participant's signature and the signature of the Company's representative on the Notice, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement (including the Appendix). Participant has reviewed the Plan, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Notice, and fully understands all provisions of the Plan, the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated on the Notice. By acceptance of this Option, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and consents to the electronic delivery of the Notice, the Appendix, this Agreement, the Plan, account statements, Plan prospectuses required by the U.S. Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Option. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion.

20. Insider Trading Restrictions/Market Abuse Laws. Depending on Participant's country of residence, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares (e.g., Options) under the Plan during such times as Participant is considered to have "insider information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is responsible for complying with any applicable restrictions and is advised to speak with a personal legal advisor on this matter.

**APPENDIX
SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT**

Terms and Conditions

This Appendix includes additional terms and conditions that govern this Option granted to Participant under the Plan if Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or Agreement.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Appendix as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time that Participant exercises this Option or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working or transfers to another country after the grant of this Option, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to Participant under these circumstances.

AUSTRALIA

Terms and Conditions

Option Expiration Date. Notwithstanding anything to the contrary in the Agreement, the Expiration Date for this Option shall be the earlier of (a) the Expiration Date set forth in the Notice, or (b) seven (7) years from the Date of Grant.

Exercise of Option. The following provision supplements section 4 of the Agreement:

If the Option vests when the market price per Share is equal to or less than the Exercise Price for the Options, Participant shall not be permitted to exercise the Option. The Options may only be exercised starting on the business day following the first day on which the market price per Share exceeds the Exercise Price for the Option.

Notifications

Securities Law Information. If Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant is advised to obtain legal advice regarding his or her disclosure obligations prior to making any such offer.

AUSTRIA

Notifications

Consumer Protection Information. Participant may be entitled to revoke acceptance of Option on the basis of the Austrian Consumer Protection Act (the “*Act*”) under the conditions listed below, if the Act is considered to be applicable to the Agreement and the Plan:

- (i) If Participant accepts the Option outside the business premises of the Company, Participant may be entitled to revoke his or her acceptance of the Option, provided the revocation is made within one (1) week after such acceptance of the Option.
- (ii) The revocation must be in written form to be valid. It is sufficient if Participant returns the Agreement to the Company or the Company’s representative with language which can be understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period discussed above.

Foreign Asset/Account Reporting Information. If Participant holds Shares acquired under the Plan outside Austria, Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or if the value of the Shares in any given year as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when Participant sells Shares acquired under the Plan or receives a dividend. In that case, there may be exchange control obligations if the cash proceeds are held outside Austria. If the transaction volume of all accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

BELGIUM

Terms and Conditions

Taxation of Option. The Option must be accepted in writing either (i) within 60 days of the offer (for tax at offer), or (ii) more than 60 days after the offer (for tax at exercise). Participant has received a separate offer letter, acceptance form and undertaking form in addition to the Notice and the Agreement. Participant should refer to the offer letter for a more detailed description of the tax consequences of choosing to accept the Option. Participant should consult with his or her personal tax advisor regarding completion of the additional forms.

Notifications

Foreign Asset/Account Reporting Information. Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return. **[Please add provision re: acceptance of options and draft the offer doc, acceptance ____, and undertaking. Thank you.]**

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Option, Participant acknowledges that Participant agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with participation in the Plan, including the exercise of the Option and the sale of Shares acquired under the Plan.

Notifications

Foreign Asset/Account Reporting Information. If Participant is resident or domiciled in Brazil, Participant will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include any Shares acquired under the Plan. Assets and rights that must be reported also include the following: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including Shares acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Payment of Awards. Due to legal restrictions in Canada, Participant is prohibited from tendering Shares that he or she already owns to pay the Exercise Price or any Tax-Related Items in connection with the Option.

Termination. Participant's right to vest in the Option under the Plan will terminate effective as of the earlier of (a) the Termination Date, or (b) the date upon which Participant receives a Notice of Termination and the period during which Participant may exercise the Option after such termination of Participant's employment will commence on the same date.

The following terms and conditions will apply if Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements section 11 of the Agreement:

Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company, any Parent or Subsidiary and any stock plan service provider that may be selected by the Company to assist with the Plan to disclose and discuss the Plan with their respective advisors. Participant further authorizes the Company and any Parent or Subsidiary to record such information and to keep such information in Participant's employee file.

Notifications

Securities Law Information. Participant is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Shares are listed on the New York Stock Exchange.

Foreign Asset/Account Reporting Information. Participant may be required to report any foreign property on form T1135 (Foreign Income Verification Statement) if the total cost of Participant's foreign property exceeds C\$100,000 at any time in the year. Foreign property includes Shares acquired under the Plan and may include Options that remain unvested. The form T1135 must be filed by April 30 of the following year. Participant is advised to consult with a personal advisor to ensure that Participant complies with the applicable requirements.

DENMARK

Notifications

Danish Stock Option Act. By participating in the Plan, Participant acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable to Participant and required to comply with the Stock Option Act, the terms set forth in the Employer Statement will apply to the Participant's participation in the Plan.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements Section 9 in the Agreement:

In accepting the Option, Participant acknowledges that he or she understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Exchange Control and Tax Reporting Information. Participant may hold Shares acquired under the Plan in a safety-deposit account (e.g., a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the Shares are held with a non-Danish broker or bank, Participant is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, Participant must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. Both Participant and the bank/broker must sign the Declaration V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the safety-deposit account. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at exercise and held in such account to the Danish Tax Administration as part of Participant's annual income tax return. By signing the Form V, Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: www.skat.dk/getFile.aspx?Id=47392.

In addition, when Participant opens a deposit account or a brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, Participant must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both Participant and the bank/broker must sign the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of Participants annual income tax return. By signing the Declaration K, Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/getFile.aspx?Id=42409&newwindow=true.

If Participant uses the broker-assisted, same-day sale or cashless sell-all method of exercise, Participant is not required to file a Form V because he or she will not hold any Shares. However, if Participant opens a deposit account with a foreign broker or bank to hold the cash proceeds, he or she is required to file a Form K as described above.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Consent to Receive Information in English. By accepting the Option, Participant confirms having read and understood the documents relating to this grant (the Plan, the Agreement, the Notice and this Appendix) which were provided in English language. Participant accepts the terms of those documents accordingly.

Consentement pour recevoir les informations en langue anglaise. En acceptant l'Option, le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan, le Contrat, l'Avis et cette Annexe) qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information. Participant may hold Shares acquired under the Plan outside France provided that Participant declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual income tax return.

GERMANY

Notifications

Exchange Control Notification. Cross-border payments in excess of €12,500 in connection with the sale of securities must be reported monthly to the *Servicezentrum Außenwirtschaftsstatistik*, which is the competent federal office of the Deutsche Bundesbank (the German Central Bank) for such notifications in Germany. Participant is responsible for obtaining the appropriate form from the bank and complying with the applicable reporting obligations.

HONG KONG

Notifications

Securities Warning: *The Option and any Shares issued pursuant to the Option do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, the Employer and any Parent or Subsidiary. The Agreement, including this Appendix, the Plan, the Notice and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. The Option and any related documentation are intended only for Participant's personal use and may not be distributed to any other person. If Participant is in any doubt about any of the contents of the Agreement, including this Appendix, the Plan or the Notice, Participant is advised to obtain independent professional advice.*

INDIA

Terms and Conditions

Method of Payment. The following provision supplements section 5 of the Agreement.

Due to legal restrictions in India, Participant will not be permitted to pay the Exercise Price by a broker assisted partial cashless exercise such that a certain number of Shares subject to the exercised Option are sold immediately upon exercise and the proceeds of the sale remitted to the Company to cover the aggregate Exercise Price and any Tax-Related Items. However, payment of the Exercise Price may be made by any of the other methods of payment set forth in section 5 of the Agreement. The Company reserves the right to provide Participant with this method of payment depending on the development of local law.

Notifications

Exchange Control Notification. Due to exchange control restrictions in India, Participant understands that he or she is required to repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt. Participant must obtain a foreign inward remittance certificate (“FIRC”) from the bank where Participant deposits the funds and must maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. Participant understands that he or she is required to declare (a) any foreign assets held by Participant or (b) any foreign bank accounts for which Participant has signing authority in his or her annual tax return.

ISRAEL

Terms and Conditions

The following provisions apply to Participants who are in Israel on the Date of Grant.

Trustee Arrangement. Participant hereby agrees that the Option, as shall be granted to him or her by the Company under the Israeli Subplan to the Plan, shall be allocated under the provisions of the track referred to as the “Capital Gains Track,” according to Section 102(b)(2) and 102(b)(3) of the Israeli Income Tax Ordinance and shall be held by the trustee (the “*Trustee*”) for the periods stated in Section 102 (the “*Holding Period*”).

Participant hereby declares that:

1. Participant understands the provisions of Section 102 and the applicable tax track of this grant of Options.
2. Subject to the provisions of Section 102, Participant hereby confirms that Participant shall not sell and/or transfer the Options, or any Shares or additional rights associated with the Options, before the end of the Holding Period. In the event that Participant elects to sell or release the Shares or additional rights, as the case may be, prior to the expiration of the Holding Period, the sanctions under Section 102 shall apply to and shall be borne solely by Participant.
3. Participant understands that this grant of Options is conditioned upon the receipt of all required approvals from Israeli tax authorities.
4. Participant agrees to be bound by the provisions of the trust agreement with the Trustee.
5. Participant hereby confirms that he or she has: (i) read and understands this Agreement; (ii) received all the clarifications and explanations that he or she has requested; and (iii) had the opportunity to consult with his or her advisers before accepting this Agreement.

Written Acceptance. If Participant has not already executed a Section 102 Capital Gains Award Confirmation Letter (“*Confirmation Letter*”) in connection with grants made under the Israeli Subplan to the Plan, Participant must print, sign and deliver the signed copy of the attached Confirmation Letter within 45 days to the Trustee at the following address and the attention of: Erika Ickowicz Aloni, Account Manager, ESOP Trust Company, Aviv Tower, 7 Jabotinsky St. Ramat Gan, 52520 Israel. If the Trustee does not receive the signed Confirmation Letter within 45 days, the Options shall not qualify for preferential tax treatment.

The following provisions apply to Participants who transfer into Israel after the Date of Grant.

Exercise of Option. The following provision supplements section 4 of the Agreement.

Participant will be restricted to exercising his or her Option using the broker-assisted, same-day sale or cashless sell-all exercise method, pursuant to which all Shares are sold immediately upon exercise of the Option and Participant

receives the sale proceeds less the Exercise Price, Tax-Related Items and any applicable broker fees or commissions. Participant will not be entitled to hold any Shares acquired at exercise.

ITALY

Exercise of Option. The following provision supplements section 4 of the Agreement.

Participant will be restricted to exercising his or her Option using the broker-assisted, same-day sale or cashless sell-all exercise method, pursuant to which all Shares are sold immediately upon exercise of the Option and Participant receives the sale proceeds less the Exercise Price, Tax-Related Items and any applicable broker fees or commissions. Participant will not be entitled to hold any Shares acquired at exercise. The Company reserves the right to provide additional methods of exercise depending on the development of local laws.

Terms and Conditions

Data Privacy Notice. This provision replaces in its entirety the Data Privacy provision in section 11 of the Agreement:

Participant understands that the Company, the Employer and any Parent or Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance (to the extent permitted under Italian law) or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Parent or Subsidiary, details of all RSUs or other entitlement to Shares granted, awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, and that the Company and the Employer will process said data and other data lawfully received from third parties ("Data") for the exclusive purpose of implementing, managing and administering Participant's participation in the Plan and complying with applicable laws, including community legislation.

Participant also understands that providing the Company with Data is necessary to effectuate Participant's participation in the Plan and that Participant's refusal to do so would make it impossible for the Company to perform its contractual obligations and may affect Participant's ability to participate in the Plan. The controllers of Data processing are ServiceNow, Inc. with registered offices at 3260 Jay Street, Santa Clara, CA 95054 and ServiceNow Italy S.R.L., which is also the Company's representative in Italy for privacy purposes pursuant to Legislative Decree no. 192/2003.

Participant understands that Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing such Data and the data processor ("Processor"). An updated list of Processors and other transferees of Data is available upon request from the Employer.

Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. Participant understands that Data may also be transferred to the Company's stock plan service provider, Fidelity Brokerage Services LLC, or such other administrator that may be engaged by the Company in the future. Participant further understands that the Company and/or any Parent or Subsidiary will transfer Data among themselves as necessary for the purpose of the implementation, administration and management of Participant's participation in the Plan. The Data recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purpose of implementing, administering, and managing Participant's participation in the Plan. Participant understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending or terminating the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

Participant understands that Data processing for the purposes specified in the Agreement shall take place under

automated or non-automated conditions, anonymously when possible, and with confidentiality and security provisions, as set forth by Applicable Laws, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including the transfer of Data abroad, including outside of the European Economic Area, as specified in the Agreement does not require Participant's consent thereto as the processing is necessary for the performance of legal and contractual obligations related to implementation, administration and management of the Plan. Participant understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, Participant has the right at any moment to, without limitation, obtain information on Data held, access and verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Data processing by contacting your local human resources representative. Finally, Participant is aware that Data will not be used for direct marketing purposes.

Plan Document Acknowledgement. Participant acknowledges that by accepting the Option, Participant has been given access to the Plan document, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. Further, Participant specifically and expressly approves the following clauses of the Agreement: (i) section 2 - Termination Period; (ii) section 4 - Exercise of Option; (iii) section 5 - Method of Payment; (iv) section 8 - Tax Consequences; (v) section 9 - Nature of Grant; (vi) section 16 - Entire Agreement; Enforcement of Rights; (vii) section 18 - Governing Law; Severability and the Data Privacy Notice set forth above in this Appendix.

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

Tax on Foreign Financial Assets. The value of any Shares (and certain other foreign assets) Participant holds outside Italy will be subject to a foreign financial assets tax, to the extent the aggregate value of the covered foreign assets exceeds €12,000. The taxable amount is equal to the fair market value of the Shares on December 31 or on the last day the Shares were held (in such case, or when the Shares are acquired during the course of the year, the tax is levied in proportion to the number of days the Shares were held over the calendar year) at a rate of 0.2%. If Participant is subject to this foreign financial assets tax, Participant will need to report the value of Participant's financial assets held abroad in Form RM of Participant's annual tax return. Participant should contact Participant's personal tax advisor for additional information about the foreign financial assets tax.

JAPAN

Terms and Conditions

Exchange Control Information. If Participant pays more than ¥30,000,000 for the purchase of Shares in any one transaction, Participant must file an *ex post facto* Payment Report with the Ministry of Finance (through the Bank of Japan or the bank carrying out the transaction). The precise reporting requirements vary depending on whether the relevant payment is made through a bank in Japan. If Participant acquires Shares whose value exceeds ¥100,000,000 in a single transaction, Participant must also file an *ex post facto* Report Concerning Acquisition of Shares with the Ministry of Finance through the Bank of Japan within 20 days of acquiring the Shares. The forms to make these reports can be acquired at the Bank of Japan.

A Payment Report is required independently of a Report Concerning Acquisition of Securities. Consequently, if the total amount that you pay on a one-time basis at exercise of the Option exceeds ¥100,000,000, Participant must file both a Payment Report and a Report Concerning Acquisition of Securities.

Foreign Asset/Account Reporting Information. Participant is required to report details of any assets held outside

Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 each year. Participant should consult with Participant's personal tax advisor to determine if the reporting obligation applies to Participant's personal situation.

MEXICO

Terms and Conditions

No Entitlement or Claims for Compensation. These provisions supplement section 9 of the Agreement:

Modification. By accepting the Option, Participant understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Option grant the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 4810 Eastgate Mall, San Diego, CA 92121, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis, nor does it establish any rights between Participant and the Employer.

Plan Document Acknowledgment. By accepting the Option, Participant acknowledges that Participant has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, by signing the Agreement, Participant further acknowledges that Participant has read and specifically and expressly approved the terms and conditions in section 9 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent or Subsidiary are not responsible for any decrease in the value of the Shares underlying the Option.

Finally, Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of Participant's participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Parent or Subsidiary with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. Estas disposiciones complementan el sección 9 del Contrato:

Modificación. Al aceptar la Opción, el Participante entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.

Declaración de Política. El otorgamiento de la Opción que la Compañía está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 4810 Eastgate Mall, San Diego, CA 92121, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de Acciones no establece, de forma alguna, establecer una relación de trabajo entre el Participante y la Compañía, ya que el Participante está participa en el Plan de una base totalmente comercial, y tampoco establece ningún derecho entre el Participante y el Patrón.

Reconocimiento del Documento del Plan. Al aceptar la Opción, el Participante reconoce que el Participante ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.

Adicionalmente, mediante la firma del Contrato de Opción, el Participante reconoce que el Participante ha leído y especifica y expresamente ha aprobado los términos y condiciones del sección 9 del Contrato, en el que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía y cualquier empresa Matriz, Subsidiaria o afiliada no son responsables por cualquier disminución en el valor de las Acciones subyacentes a la Opción.

Finalmente, el Participante de acuerdo en que el Participante no se reserva ninguna acción o derecho para interponer cualquier demanda o reclamación en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga finiquito al Patrón, la Compañía y cualquier empresa Matriz, Subsidiaria o afiliada con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

Securities Law Notification. Participant understands that he or she is being offered an opportunity to participate in the Plan and that, in compliance with New Zealand Securities Law, Participant is hereby notified that the materials listed below are available for Participant's review where indicated below.

1. The Company's most recent Annual Report (Form 10-K), Quarterly Report (Form 10-Q), and financial statements are available on the Company's website (www.servicenow.com) (Company About ServiceNow Investor Relations SEC Filings).
2. The Company's Plan, Plan prospectus, and the Agreement are available on the Company's designated broker website (www.fidelity.com). Participant must log-in to his or her brokerage account to access these materials.

A copy of the above materials will be provided to Participant free of charge upon request to ServiceNow, Inc., Stock Administration, 3260 Jay Street, Santa Clara, California 95054, U.S.A.

When reading these materials, Participant understands that all references to Exercise Price are listed in U.S. dollars. Participant understands that Participant should read the materials carefully before making a decision whether to participate in the Plan and that Participant should consult with his or her personal tax advisor for specific information concerning Participant's personal tax situation with regard to participation in the Plan.

NORWAY

There are no country-specific provisions.

SINGAPORE

Notifications

Securities Law Information. In reliance on section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("**SFA**"), the Option grant is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Option is subject to section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the Option in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. If Participant is a director, associate director or shadow director of the Company's Singapore Parent or Subsidiary, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company's Singapore Parent or Subsidiary in writing when Participant receives an interest (e.g., Options or Shares) in the Company or any Parent or Subsidiary. In addition, Participant must notify the Company's Singapore Parent or Subsidiary when Participant sells Shares or shares of any Parent or Subsidiary (including when Participant sells Shares issued upon exercise of the Option). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Parent or Subsidiary. In addition, a notification of Participant's interests in the Company or any Parent or Subsidiary must be made within two business days of becoming a director.

SOUTH AFRICA

Terms and Conditions

Tax Consequences. The following provision supplements section 8 of the Agreement:

By accepting the Option, Participant agrees that, immediately upon exercise of the Option, Participant will notify the Employer of the amount of any gain realized. If Participant fails to advise the Employer of the gain realized upon exercise, Participant may be liable for a fine. Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Tax Clearance Certificate Requirement. If Participant uses cash to exercise the Option, rather than a cashless exercise method, Participant must first obtain and provide to the Employer, or any third party designated by the Employer or the Company, a Tax Clearance Certificate (with respect to Foreign Investments) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service ("**SARS**"). Participant must renew this Tax Clearance Certificate every 12 months, or such other period as may be required by the SARS. Participant must also complete a transfer of funds application form to transfer the funds. If Participant exercises the Option by a cashless exercise whereby no funds are remitted offshore for the purchase of Shares, no Tax Clearance Certificate is required.

Exchange Control Information. To participate in the Plan, Participant must comply with exchange control regulations and rulings in South Africa. Because the exchange control regulations are subject to change, Participant should consult Participant's personal legal advisor prior to exercising the Option to ensure compliance with current regulations. Participant is responsible for ensuring compliance with all exchange control laws in South Africa.

SOUTH KOREA

Notifications

Exchange Control Information. If Participant remits funds out of South Korea to purchase Shares under the Plan, the remittance must be "confirmed" by a foreign exchange bank in South Korea. This is an automatic procedure, i.e., the bank does not need to "approve" the remittance, and it should take no more than a single day to process. Participant likely will need to present to the bank processing the transaction the following supporting documents evidencing the nature of the remittance: (i) the Notice and Agreement; (ii) the Plan; and (iii) Participant's certificate of employment. This confirmation is not necessary for cashless exercises since no funds are remitted out of South Korea.

In addition, if Participant receives US\$500,000 or more from the sale of Shares in a single transaction, South Korean exchange control laws require Participant to repatriate the proceeds to Korea within 18 months of the sale.

Foreign Asset/Account Reporting Information. If Participant is a Korean resident, Participant must declare all of his or her foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, and so on) to the Korean

tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Participant is advised to consult with his or her personal tax advisor to determine if the reporting obligation applies to his or her personal situation.

SPAIN

Terms and Conditions

Termination Period and Nature of Grant. This provision supplements the Notice and sections 2 and 9 of the Agreement:

In accepting the Option, Participant consents to participate in the Plan and acknowledges that he or she has received a copy of the Plan.

Participant understands and agrees that, as a condition of the grant of the Option, Termination for any reason (including the reasons listed below) will automatically result in the loss of the Option that may have been granted to Participant and that has not vested as of Participant's Termination Date.

In particular, Participant understands and agrees that any unvested Option as of the Termination Date will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of a Termination by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. Participant acknowledges that he or she has read and specifically accept the conditions referred to in the Notice and Sections 2 and 9 of the Agreement.

Participant understands that the Company has unilaterally, gratuitously and discretionally decided to grant the Option under the Plan to individuals who may be employees or service providers of the Company or a Parent or Subsidiary throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Parent or Subsidiary on an ongoing basis other than as set forth in this Agreement. Consequently, Participant understands that the Option is granted on the assumption and condition that the Option and any Shares issued upon vesting of the Option are not part of any employment or service contract (either with the Company or any Parent or Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, Participant understands that the Option would not be granted to Participant but for the assumptions and conditions referred to herein; thus, Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the Option and any right to the Option shall be null and void.

Notifications

Securities Law Notification. The grant of Option and the Shares issued pursuant to the vesting of Option are considered a private placement outside the scope of Spanish laws on public offerings and issuances of securities. The Plan and the Agreement, including this Appendix, have not been nor will they be registered with the *Comisión Nacional del Mercado de Valores* (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Information. Participant must declare the acquisition, ownership and sale of Shares to the *Spanish Dirección General de Comercio e Inversiones* (the "*DGCI*") of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be filed in January for Shares acquired or sold during (or held as of December 31 of) the prior year; however, if the value of the Shares purchased under the Plan or the amount of

the sale proceeds exceeds €1,502,530, the declaration must be filed within one month of the purchase or sale, as applicable.

Foreign Asset/Account Reporting Information. To the extent Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, and so on) as of December 31 each year, Participant is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, Participant is advised to consult with his or her personal tax and legal advisors to ensure that Participant is properly complying with his or her reporting obligations.

Further, Participant is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the relevant year or the balances in such accounts as of December 31st of the relevant year exceeds €1,000,000.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The grant of Options is considered a private offering in Switzerland and is, therefore, not subject to registration in Switzerland.

TURKEY

Notifications

Securities Law Information. Under Turkish law, Participant is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside Turkey, under the ticker symbol “NOW” and the Shares may be sold through this exchange.

Exchange Control Information. Pursuant to Decree No. 32 on the Protection of the Value of the Turkish Currency (“*Decree 32*”) and Communiqué No. 2008-32/34 on Decree No. 32, any activity related to investments in foreign securities (e.g., the sale of Shares under the Plan) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. Participant is advised to contact a personal legal advisor for further information regarding these requirements.

UNITED KINGDOM

Terms and Conditions

The following terms and conditions apply only if Participant is an Employee. No grants under this Agreement shall be made to Consultants or Directors resident in the United Kingdom.

Responsibility for Taxes. The following provisions supplement section 8(a) of the Agreement:

Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of income tax that Participant owes at exercise of the Option, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (the “**Due Date**”) within 90 days after the Due Date, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by Participant to the Employer, effective 90 days after the Due Date. Participant agrees that the loan will bear interest at Her Majesty’s Revenue and Customs (“**HMRC**”) official rate and will be immediately due and repayable by Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Participant by the Employer, by withholding in Shares issued upon exercise of the Option or from the cash proceeds from the sale of Shares or by demanding cash or a cheque from Participant. Participant also authorizes the Company to delay the issuance of any Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that Participant is an executive officer or director and income tax is not collected from or paid by Participant within 90 days of the Due Date, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and National Insurance Contributions (“**NICs**”) (including Employer NICs, as defined below) may be payable. Participant acknowledges that the Company or the Employer may recover any such additional income tax and NICs (including Employer NICs, as defined below) at any time thereafter by any of the means referred to in section 8(a) of the Agreement, although Participant acknowledges that he or she ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Employer for the value of the NICs (including Employer NICs, as defined below) due on this additional benefit.

National Insurance Contributions Acknowledgment. As a condition of participation in the Plan and the exercise of the Option, Participant agrees to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the Option and any event giving rise to Tax-Related Items (the “**Employer NICs**”). Without limitation to the foregoing, Participant agrees to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the “**Joint Election**”), and any other required consent or election. Participant further agrees to execute such other joint elections as may be required between Participant and any successor to the Company and/or the Employer. Participant further agrees that the Company and/or the Employer may collect the Employer NICs from Participant by any of the means set forth in section 8(a) of the Agreement.

If Participant does not enter into a Joint Election prior to exercising the Option or if approval of the Joint Election has been withdrawn by HMRC, the Option shall become null and void without any liability to the Company and/or the Employer and may not be exercised by Participant.

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
ISRAEL

If you have not already executed a Section 102 Capital Gains Award Confirmation Letter (“Confirmation Letter”) in connection with grants made under the Israeli Subplan to the 2012 Equity Incentive Plan (the “Plan”), you must print, sign and deliver the signed copy of this Confirmation Letter within 45 days to the Trustee at the following address and the attention of: Erika Ickowicz Aloni, Account Manager, ESOP Trust Company, Aviv Tower, 7 Jabotinsky St. Ramat Gan, 52520 Israel. If the Trustee does not receive the signed Confirmation Letter within 45 days, the stock options and/or restricted stock units will not qualify for preferential tax treatment.

Section 102 Capital Gains Award Confirmation Letter

I hereby confirm and agree that the stock options and/or restricted stock units granted to me by ServiceNow, Inc. (the “Company”) under the Israeli Subplan to the Plan that have been designated by the board of directors (or a committee thereof) of the Company as awards subject to the “Capital Gains Track”, according to Section 102(b)(2) and 102(b)(3) and the Income Tax Rules issued thereunder (“Section 102”) of the Israel Income Tax Ordinance (the “Awards”), shall be subject to the terms and conditions of the “Capital Gains Track” set forth in said Section 102 and shall be held by ESOP Management and Trust Services Ltd. as trustee (the “Trustee”) in accordance with the requirements of Section 102 (the “Holding Period”).

I hereby declare that:

1. I understand and accept the provisions of Section 102 and the “Capital Gains Track” as they apply to Awards.
2. Subject to the provisions of Section 102, I hereby confirm that I shall not sell and/or transfer the Awards, or any shares or additional rights associated with the Awards, before the “end of the Holding Period” (as defined in Section 102). In the event that I shall elect to sell or release the shares or additional rights, as the case may be, prior to the “end of the Holding Period,” the provisions of Section 102 shall apply and the applicable tax consequences shall be borne solely by me.
3. I understand that the grant of Awards is subject to the receipt of all required approvals from Israeli tax authorities and compliance with the requirements of Section 102.
4. I agree to be bound by the provisions of the Company’s trust agreement with the Trustee.
5. I hereby confirm that I have: (i) read and understand this letter; (ii) received all the clarifications and explanations that I have requested; and (iii) had the opportunity to consult with my advisers before signing this confirmation letter.
6. I hereby confirm that, in addition to my confirmation and agreement hereunder, the acceptance or settlement of any such Awards shall be deemed as irrevocable confirmation of my acknowledgements and undertakings herein with respect to such specific Award.

Name of Employee: _____

ID : _____

Signature: _____

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act"), you are entitled to receive the following information regarding participation in the ServiceNow, Inc. 2012 Equity Incentive Plan (the "Plan") in a separate written statement.

This statement contains only the information mentioned in the Stock Option Act, while the other terms and conditions of your grant of stock options to purchase shares of the common stock of ServiceNow, Inc. (the "Company") are described in detail in the Plan, the Notice of Global Stock Option Grant (the "Notice"), the Global Stock Option Award Agreement (the "Agreement") and the applicable country-specific supplement, which have been made available to you.

1. Date of grant of stock options

The grant date of your stock option is the date that the Company approved a grant for you, which is set forth in the Notice.

2. Terms or conditions for grant of stock options

Only persons identified in Section 3 of the Plan are eligible to participate in the Plan. The grant of stock options under the Plan is offered at the sole discretion of the Company and is intended to achieve the purposes identified in Section 1 of the Plan, including (among other things) encouraging stock ownership in the Company by employees of the Company and any parents and subsidiaries that exist now or in the future. The Company may decide, in its sole discretion, not to make any grants of stock options to you in the future. Under the terms of the Plan, the Agreement and the applicable country-specific supplement, you have no entitlement or claim to receive future grants of stock options or awards in lieu of stock options.

3. Exercise Date

Your stock option shall vest and become exercisable over a period of time ("vesting period"), provided you remain employed by or in the service of the Company or a subsidiary or parent on each of the vesting dates set forth in the Notice, unless the stock option vests or is terminated earlier for the reasons set forth in the Plan or Agreement and subject to section 5 of this statement. Your vested stock options are exercisable any time after vesting and before the stock option is terminated or expires ("exercise period").

4. Exercise Price

During the exercise period, the stock options can be exercised to purchase common stock in the Company at a price per share not less than the fair market value of the stock on the date the stock option is granted, as determined in accordance with the Plan, and which is set forth in the Agreement.

5. Your rights upon termination of employment

The treatment of your stock option upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan, the Agreement and the applicable country-specific supplement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the Plan, the Agreement and the applicable country-specific supplement are more favorable to you, then such terms will govern the treatment of your stock option upon termination of employment.

6. Financial aspects of participating in the Plan

The grant of stock options has no immediate financial consequences for you. The value of the stock options is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The possibility of gain at the time of exercise will not only be dependent on the Company's financial development, but also on the general development of the stock market. In addition, before or after you exercise your stock options, the shares of Company stock could decrease in value even below the exercise price.

SERVICENOW, INC.
102 S. Sierra Avenue
Solana Beach, CA 92075
U.S.A.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK
ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om deltagelse i ServiceNow, Inc.'s incitamentsordning - *2012 Equity Incentive Plan* ("Planen").

Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for din tildeling af aktieoptioner til køb af ordinære aktier i ServiceNow, Inc. ("Selskabet") er nærmere beskrevet i Planen, *Notice of Global Stock Option Grant* ("Meddelelsen"), *Global Stock Option Award Agreement* ("Aftalen") og det gældende landespecifikke tillæg, som du har modtaget.

1. Tildelingstidspunkt

Tidspunktet for tildeling af aktieoptioner er den dato, hvor Selskabet godkendte din tildeling som anført i Meddelelsen.

2. Kriterier og betingelser for tildelingen af aktieoptioner

Kun de i Planens pkt. 3 anførte personer kan deltage i Planen. Tildelingen af aktieoptioner i henhold til Planen sker efter Selskabets eget skøn med henblik på at gennemføre de i Planens pkt. 1 anførte formål, herunder bl.a. at tilskynde medarbejdere i Selskabet samt dets nuværende og fremtidige datterselskaber og moderselskab til at eje aktier i Selskabet. Selskabet kan frit vælge ikke at tildele dig aktieoptioner fremover. I henhold til Planen, Aftalen og det gældende landespecifikke tillæg har du ikke nogen ret til eller noget krav på fremover at få tildelt aktieoptioner eller modtage øvrige tildelinger i stedet for aktieoptioner.

3. Udnyttelsestidspunkt

Dine aktieoptioner modnes og vil kunne udnyttes over en periode ("modningsperioden"), forudsat at du fortsat er ansat i eller arbejder for Selskabet, et datterselskab eller moderselskab på hver af de modningsdatoer, som er angivet i Meddelelsen, medmindre aktieoptionen modner eller bortfalder på et tidligere tidspunkt af de i Planen eller Aftalen anførte årsager, og med forbehold for pkt. 5 i denne erklæring. Dine modnede aktieoptioner kan udnyttes til enhver tid fra modningstidspunktet indtil optionernes udløb eller ophør (udnyttelsesperiode).

4. Udnyttelseskurs

I udnyttelsesperioden kan aktieoptionerne udnyttes til køb af ordinære aktier i Selskabet til en kurs pr. aktie, som ikke er lavere end aktiernes markedskurs på tildelingstidspunktet som fastsat i henhold til Planen og angivet i Aftalen.

5. Din retsstilling i forbindelse med fratræden

Dine aktieoptioner vil i tilfælde af din fratreden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Planen, Aftalen og det gældende landespecifikke tillæg er mere fordelagtige for dig end Aktieoptionslovens §§ 4 og 5. Hvis bestemmelserne i Planen, Aftalen og det gældende landespecifikke tillæg er mere fordelagtige for dig, vil disse bestemmelser være gældende for, hvordan dine aktieoptioner behandles i forbindelse med din fratreden.

6. Økonomiske aspekter ved at deltage i Planen

Tildelingen af aktieoptioner har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af aktieoptionerne indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Således afhænger gevinstmuligheden på udnyttelsestidspunktet ikke kun af Selskabets økonomiske udvikling, men også af den generelle udvikling på aktiemarkedet. Derudover kan Selskabets aktier både før og efter udnyttelsestidspunktet falde til en værdi, der måske endda ligger under udnyttelseskursen.

SERVICENOW, INC.
102 S. Sierra Avenue
Solana Beach, CA 92075
U.S.A.

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
UNITED KINGDOM

Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive a stock option ("**Option**") pursuant to the 2012 Equity Incentive Plan (the "**Plan**"), and
- B. ServiceNow, Inc., 102 S. Sierra Avenue, Solana Beach, CA 92075, U.S.A. (the "**Company**"), which may grant Options under the Plan and is entering into this Election on behalf of the Employer.

1. Introduction

1.1 This Election relates to all Options granted to the Employee under the Plan on or after June 18, 2012, up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- a. "**Chargeable Event**" means, in relation to the Options:
 - i. the acquisition of securities pursuant to stock options (within section 477(3)(a) of ITEPA);
 - ii. the assignment (if applicable) or release of the stock options in return for consideration (within section 477(3)(b) of ITEPA);
 - iii. the receipt of a benefit in connection with the stock options, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);
 - iv. post-acquisition charges relating to the shares acquired pursuant to the stock options (within section 427 of ITEPA); and/or
 - v. post-acquisition charges relating to the shares acquired pursuant to the stock options (within section 439 of ITEPA).
- b. "ITEPA" means the Income Tax (Earnings and Pensions) Act 2003.
- c. "SSCBA" means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the employer's secondary Class 1 National Insurance Contributions (the "**Employer's Liability**") which may arise on the occurrence of a Chargeable Event in respect of the Options pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

3. Payment of the Employer's Liability

- 3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:
- i. by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
 - ii. directly from the Employee by payment in cash or cleared funds; and/or
 - iii. by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Options, the proceeds of which must be delivered to the Employer in sufficient time for payment to be made to HMRC by the due date; and/or
 - iv. where the proceeds of the gain are to be made through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Options, such amount to be paid in sufficient time to enable the Company to make payment to HMRC by the due date; and/or
 - v. through any other method as set forth in the applicable Option agreements entered into between the Employee and the Company.
- 3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Options until full payment of the Employer's Liability is received.
- 3.3 The Company agrees to remit the Employer's Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days if payments are made electronically).

4. Duration of Election

- 4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.
- 4.2 This Election will continue in effect until the earliest of the following:
- i. the Employee and the Company agree in writing that it should cease to have effect;
 - ii. on the date the Company serves written notice on the Employee terminating its effect;
 - iii. on the date HMRC withdraws approval of this Election; or
 - iv. after due payment of the Employer's Liability in respect of the entirety of the Options to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.
-

Acceptance by the Employee

The Employee acknowledges that by clicking on the "ACCEPT" box where indicated on the grant acceptance screen, the Employee agrees to be bound by the terms of this Election as stated above.

Acceptance by the Company

The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signature for and on
behalf of the Company _____

Name Ethan Christensen

Position Vice President, Legal

Date _____

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

Service-now.com UK Limited

Registered Office:	Standard House, Weyside Park, Catteshall Lane, Godalming, Surrey, Gu7 1XE
Company Registration Number:	6299383
Corporation Tax District:	201 South London
Corporation Tax Reference:	6359720602
PAYE Reference:	581/LA08194

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
NOTICE OF GLOBAL RESTRICTED STOCK UNIT AWARD
GRANT NUMBER: _____

Unless otherwise defined herein, the terms defined in the ServiceNow, Inc. (the “*Company*”) 2012 Equity Incentive Plan (the “*Plan*”) shall have the same meanings in this Notice of Global Restricted Stock Unit Award (the “*Notice*”).

Name:

Address:

- I. *You (“Participant”) have been granted an award of Restricted Stock Units (“RSUs”) under the Plan subject to the terms and conditions of the Plan, this Notice and the Global Restricted Stock Unit Award Agreement, including any appendix to the Global Restricted Stock Unit Award Agreement for Participant’s country (the “Appendix”) (the Restricted Stock Unit Award Agreement and the Appendix are collectively referred to as the “Agreement”).*

Number of RSUs:

Date of Grant:

Vesting Commencement Date:

Expiration Date: The date on which settlement of all RSUs granted hereunder occurs, with earlier expiration upon the Termination Date

Vesting Schedule: Subject to the limitations set forth in this Notice, the Plan and the Agreement, the RSUs will vest in accordance with the following schedule:

[ServiceNow to insert vesting schedule]

By accepting (whether in writing, electronically or otherwise) the RSUs, Participant acknowledges and agrees to the following:

Participant understands that Participant’s employment or consulting relationship or service with the Company or a Parent or Subsidiary is for an unspecified duration and that nothing in this Notice, the Agreement or the Plan changes the nature of that relationship. Participant acknowledges that the vesting of the RSUs pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company or Parent or Subsidiary. Participant also understands that this Notice is subject to the terms and conditions of both the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the Agreement and the Plan. By accepting this RSU, Participant consents to the electronic delivery as set forth in the Agreement.

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the ServiceNow, Inc. (the “*Company*”) 2012 Equity Incentive Plan (the “*Plan*”) shall have the same defined meanings in this Global Restricted Stock Unit Award Agreement (the “*Agreement*”).

Participant has been granted Restricted Stock Units (“*RSUs*”) subject to the terms, restrictions and conditions of the Plan, the Notice of Global Restricted Stock Unit Award (the “*Notice*”) and this Agreement, including any appendix to this Agreement for Participant’s country (the “*Appendix*”).

1. **Settlement.** The RSUs shall be settled on or as soon as administratively practicable following each vest date under the vesting schedule set forth in the Notice (and in no event later than 2 1/2 months following the end of the year in which such vest date occurs), provided that Participant continues to provide services to the Company or any Subsidiary or Affiliate through such vest date. Settlement of RSUs shall be in Shares.

2. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right dividends or to vote such Shares.

3. **Dividend Equivalents.** Dividends, if any (whether in cash or Shares), shall not be credited to Participant.

4. **Non-Transferability of RSUs.** RSUs may not be transferred in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.

5. **Termination.** If Participant’s service Terminates for any reason, all unvested RSUs shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. **Withholding Taxes.** Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant’s employer (the “*Employer*”) the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan and legally applicable to Participant (“*Tax-Related Items*”), is and remains Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU, including, but not limited to, the grant, vesting or settlement of the RSU and the subsequent sale of Shares acquired pursuant to such settlement; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSU to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant’s wages or other cash compensation paid to Participant by the Company and/or the Employer;
-

- (ii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);
- (iii) withholding in Shares to be issued upon settlement of the RSU, provided the Company only withholds the amount of Shares necessary to satisfy the minimum statutory withholding amounts; or
- (iv) any other arrangement approved by the Committee.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested RSU, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Fair Market Value of these Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, will be applied as a credit against the Tax-Related Items withholding.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

7. **Nature of Grant.** In accepting the grant, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - (b) the grant of the RSU is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
 - (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
 - (d) the RSU grant and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, the Employer or any Parent or Subsidiary;
 - (e) Participant is voluntarily participating in the Plan;
 - (f) the RSU and the Shares subject to the RSU are not intended to replace any pension rights or compensation;
 - (g) the RSU and the Shares subject to the RSU, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
 - (h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
 - (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU resulting from Participant's Termination, and in consideration of the grant of the RSU to which Participant is otherwise not
-

entitled, Participant irrevocably agrees never to institute any claim against the Company, or any Parent or Subsidiary or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the RSU and the benefits evidenced by this Agreement do not create any entitlement to have the RSU or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the shares of the Company; and

(k) the following provisions apply only if Participant is providing services outside the United States:

- (i) the RSU and the Shares subject to the RSU are not part of normal or expected compensation or salary for any purpose;
- (ii) Participant acknowledges and agrees that neither the Company, the Employer nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the RSU or of any amounts due to Participant pursuant to the settlement of the RSU or the subsequent sale of any Shares acquired upon settlement.

8. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. **Data Privacy.** *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to Fidelity Brokerage Services LLC or its affiliates or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, Fidelity Brokerage Services LLC and its affiliates, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments

to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant RSUs or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

10. **Language.** If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

11. **Appendix.** Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

12. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSU and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13. **Acknowledgement.** The Company and Participant agree that the RSUs are granted under and governed by the Notice, this Agreement (including the Appendix) and the provisions of the Plan. Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

14. **Entire Agreement; Enforcement of Rights.** This Agreement (including the Appendix), the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

15. **Conditions to Issuance; Compliance with Laws and Regulations.** The issuance of Shares and any restriction on the sale of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state, federal and foreign laws and regulations, with all applicable requirements of any stock exchange or automated quotation system on which the Company's Shares may be listed or quoted at the time of such issuance or transfer and with any exchange control restrictions. Further, Notwithstanding any other provision of this Agreement, the Company shall not be required to issue Shares following the lapse of any such reasonable period of time following the vest date as the Company may from time to time establish for reasons of administrative convenience in accordance with Section 409A of the Code.

16. **Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of

law. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Jose, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

17. No Rights as Employee, Director or Consultant. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary, to terminate Participant's service, for any reason, with or without Cause.

By Participant's acceptance (whether in writing, electronically or otherwise) of the Notice, Participant and the Company agree that this RSU is granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement (including the Appendix). Participant has reviewed the Plan, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of the Plan, the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address. By acceptance of this RSU, Participant agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and consents to the electronic delivery of the Notice, the Appendix, this Agreement, the Plan, account statements, Plan prospectuses required by the U.S. Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSU. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion.

18. Insider Trading Restrictions/Market Abuse Laws. Depending on Participant's country of residence, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is responsible for complying with any applicable restrictions and is advised to speak with a personal legal advisor on this matter.

**APPENDIX
SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT**

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Restricted Stock Units granted to Participant under the Plan if Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Appendix as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time that Participant receives Shares or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working, is considered a resident of another country for local law purposes or transfers employment and/or residency between countries after the Date of Grant, the information contained herein may not be applicable in the same manner to Participant. In addition, the Company shall, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to Participant under these circumstances.

AUSTRALIA

Notifications

Securities Law Information. If Participant acquires Shares under the Plan upon the vesting of the RSUs and subsequently offers the Shares for sale to a person or entity resident in Australia, such an offer may be subject to disclosure requirements under Australian law, and Participant should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

Australian Addendum. The RSUs are granted pursuant to the Australian Addendum. Participation in the Plan and the RSUs granted under the Plan are subject to the terms and conditions stated in the Australian Addendum, in addition to the Plan, the Agreement and this Appendix. The Plan is intended to comply with the provisions of the Australian Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Instrument 13-0821, signed on 27 June 2013 and gazetted on 2 July 2013.

AUSTRIA

Notifications

Consumer Protection Information. Participant may be entitled to revoke acceptance of the award of RSUs on the basis of the Austrian Consumer Protection Act (the “*Act*”) under the conditions listed below, if the Act is considered to be applicable to the Agreement and the Plan:

- (i) If Participant accepts the award of RSUs outside the business premises of the Company, Participant may be entitled to revoke his or her acceptance of the RSUs, provided the revocation is made within one (1) week after such acceptance of the RSUs.
- (ii) The revocation must be in written form to be valid. It is sufficient if Participant returns the Agreement to the Company or the Company’s representative with language which can be understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period discussed above.

Foreign Asset/Account Reporting Information. If Participant holds Shares acquired under the Plan outside Austria, Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or if the value of the Shares in any given year as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when Participant sells Shares acquired under the Plan or receives a dividend. In that case, there may be exchange control obligations if the cash proceeds are held outside Austria. If the transaction volume of all accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the RSUs, Participant acknowledges that Participant agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with participation in the Plan, including the vesting of the RSUs and the sale of Shares acquired under the Plan.

Notifications

Foreign Asset/Account Reporting Information. If Participant is resident or domiciled in Brazil, Participant will be required to submit an annual declaration of assets and rights held outside Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include any Shares acquired under the Plan. Assets and rights that must be reported also include the following: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including Shares acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes

of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Vesting/Termination. Participant's right to vest in the RSUs shall terminate effective as of the earlier of (a) the Termination Date or (b) the date upon which Participant receives a notice of Termination.

The following terms and conditions will apply if Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements section 9 of the Agreement:

Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company, any Parent or Subsidiary and any stock plan service provider that may be selected by the Company to assist with the Plan to disclose and discuss the Plan with their respective advisors. Participant further authorizes the Company and any Parent or Subsidiary to record such information and to keep such information in Participant's employee file.

Notifications

Securities Law Information. Participant is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Shares are listed on the New York Stock Exchange.

Foreign Asset/Account Reporting Information. Participant may be required to report any foreign property on form T1135 (Foreign Income Verification Statement) if the total cost of Participant's foreign property exceeds C\$100,000 at any time in the year. Foreign property includes Shares acquired under the Plan and may include RSUs that remain unvested. The form T1135 must be filed by April 30 of the following year. Participant is advised to consult with a personal advisor to ensure that Participant complies with the applicable requirements.

DENMARK

Terms and Conditions

Danish Stock Option Act. In accepting the RSUs, Participant acknowledges that he or she has received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable to Participant and required to comply with the Stock Option Act, the terms set forth in the Employer Statement will apply to Participant's participation in the Plan.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements section 7 in the Agreement:

In accepting the RSU, Participant acknowledges that he or she understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Notifications

Exchange Control and Tax Reporting Information. Participant may hold Shares acquired under the Plan in a safety-deposit account (e.g., a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the Shares are held with a non-Danish broker or bank, Participant is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, Participant must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. Both Participant and the bank/broker must sign the Declaration V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the safety-deposit account. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at exercise and held in such account to the Danish Tax Administration as part of Participant's annual income tax return. By signing the Form V, Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: www.skat.dk/getFile.aspx?Id=47392.

In addition, when Participant opens a deposit account or a brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, Participant must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both Participant and the bank/broker must sign the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of Participant's annual income tax return. By signing the Declaration K, Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/getFile.aspx?Id=42409&newwindow=true.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Consent to Receive Information in English. By accepting the RSUs, Participant confirms having read and understood the documents relating to this grant (the Plan, the Agreement, the Notice and this Appendix) which were provided in English language. Participant accepts the terms of those documents accordingly.

Consentement pour recevoir les informations en langue anglaise. En acceptant l'attribution, le Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan, le Contrat, l'Avis et cette Annexe) qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information. Participant may hold Shares acquired under the Plan outside France provided that Participant declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual income tax return.

GERMANY

Notifications

Exchange Control Notification. Cross-border payments in excess of €12,500 in connection with the sale of securities must be reported monthly to the *Servicezentrum Außenwirtschaftsstatistik*, which is the competent federal office of the Deutsche Bundesbank (the German Central Bank) for such notifications in Germany. Participant is responsible for obtaining the appropriate form from the bank and complying with the applicable reporting obligations.

HONG KONG

Notifications

Securities Law Information. To facilitate compliance with securities laws in Hong Kong, the Participant agrees not to sell the Shares issued in settlement of the RSUs within six (6) months of the Date of Grant.

Securities Warning: *The RSUs and any Shares issued pursuant to the RSUs do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, the Employer and any Parent or Subsidiary. The Agreement, including this Appendix, the Plan, the Notice and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSUs and any related documentation are intended only for Participant's personal use and may not be distributed to any other person. If Participant is in any doubt about any of the contents of the Agreement, including this Appendix, the Plan or the Notice, Participant is advised to obtain independent professional advice.*

INDIA

Notifications

Exchange Control Notification. Due to exchange control restrictions in India, Participant understands that he or she is required to repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt. Participant must obtain a foreign inward remittance certificate ("**FIRC**") from the bank where Participant deposits the funds and must maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. Participant understands that he or she is required to declare (a) any foreign assets held by Participant or (b) any foreign bank accounts for which Participant has signing authority in his or her annual tax return.

ISRAEL

Terms and Conditions

The following provisions apply to Participants who are in Israel on the Date of Grant.

Trustee Arrangement. Participant hereby agrees that the RSUs, as shall be granted to him or her by the Company under the Israeli Subplan to the Plan, shall be allocated under the provisions of the track referred to as the “Capital Gains Track,” according to Section 102(b)(2) and 102(b)(3) of the Israeli Income Tax Ordinance and shall be held by the trustee (the “**Trustee**”) for the periods stated in Section 102 (the “**Holding Period**”).

Participant hereby declares that:

1. Participant understands the provisions of Section 102 and the applicable tax track of this grant of RSUs.
5.
2. Subject to the provisions of Section 102, Participant hereby confirms that Participant shall not sell and/or transfer the RSUs, or any Shares or additional rights associated with the RSUs, before the end of the Holding Period. In the event that Participant elects to sell or release the Shares or additional rights, as the case may be, prior to the expiration of the Holding Period, the sanctions under Section 102 shall apply to and shall be borne solely by Participant.
6.
3. Participant understands that this grant of RSUs is conditioned upon the receipt of all required approvals from Israeli tax authorities.
7.
4. Participant agrees to be bound by the provisions of the trust agreement with the Trustee.
8.
5. Participant hereby confirms that he or she has: (i) read and understands this Agreement; (ii) received all the clarifications and explanations that he or she has requested; and (iii) had the opportunity to consult with his or her advisers before accepting this Agreement.
9.

The following provisions apply to Participants who transfer into Israel after the Date of Grant.

Settlement. The following provision replaces section 1 of the Agreement.

Settlement of RSUs shall be made within 30 days following the applicable date of vesting under the vesting schedule set forth in the Notice. Participant will be subject to an immediate forced sale restriction, pursuant to which all Shares acquired at vesting will be immediately sold and Participant will receive the sale proceeds less Tax-Related Items and applicable broker fees and commissions. Participant will not be entitled to hold any Shares acquired at vesting.

10. **Written Acceptance.** If Participant has not already executed a Section 102 Capital Gains Award Confirmation Letter (“**Confirmation Letter**”) in connection with grants made under the Israeli Subplan to the Plan, Participant must print, sign and deliver the signed copy of the attached Confirmation Letter within 45 days to the Trustee at the following address and the attention of: Erika Ickowicz Aloni, Account Manager, ESOP Trust Company, Aviv Tower, 7 Jabotinsky St. Ramat Gan, 52520 Israel. If the Trustee does not receive the signed Confirmation Letter within 45 days, the RSUs shall not qualify for preferential tax treatment.

ITALY

Terms and Conditions

Data Privacy Notice. This provision replaces in its entirety the Data Privacy provision in section 9 of the Agreement:

Participant understands that the Company, the Employer and any Parent or Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance (to the extent permitted under Italian law) or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Parent or Subsidiary, details of all RSUs or other entitlement to Shares granted, awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, and that the Company and the Employer will process said data and other data lawfully received from third parties ("Data") for the exclusive purpose of implementing, managing and administering Participant's participation in the Plan and complying with applicable laws, including community legislation.

Participant also understands that providing the Company with Data is necessary to effectuate Participant's participation in the Plan and that Participant's refusal to do so would make it impossible for the Company to perform its contractual obligations and may affect Participant's ability to participate in the Plan. The controllers of Data processing are ServiceNow, Inc. with registered offices at 3260 Jay Street, Santa Clara, CA 95054 and ServiceNow Italy S.R.L., which is also the Company's representative in Italy for privacy purposes pursuant to Legislative Decree no. 192/2003.

Participant understands that Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing such Data and the data processor ("Processor"). An updated list of Processors and other transferees of Data is available upon request from the Employer.

Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. Participant understands that Data may also be transferred to the Company's stock plan service provider, Fidelity Brokerage Services LLC, or such other administrator that may be engaged by the Company in the future. Participant further understands that the Company and/or any Parent or Subsidiary will transfer Data among themselves as necessary for the purpose of the implementation, administration and management of Participant's participation in the Plan. The Data recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purpose of implementing, administering, and managing Participant's participation in the Plan. Participant understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending or terminating the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

Participant understands that Data processing for the purposes specified in the Agreement shall take place under automated or non-automated conditions, anonymously when possible, and with confidentiality and security provisions, as set forth by Applicable Laws, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including the transfer of Data abroad, including outside the European Economic Area, as specified in the Agreement does not require Participant's consent thereto as the processing is necessary for the performance of legal and contractual obligations related to implementation, administration and management of the Plan. Participant understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, Participant has the right at any moment to, without limitation, obtain information on Data held, access and verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Data processing by contacting your local human resources representative. Finally, Participant is aware that Data will not be used for direct marketing purposes.

Plan Document Acknowledgement. Participant acknowledges that by accepting the RSUs, Participant has been given access to the Plan document, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. Further, Participant specifically and expressly approves the following clauses of the Agreement: (i) section 1 - Settlement; (ii) section 6 - Withholding Taxes; (iii) section 7 - Nature of Grant; (iv) section 14 - Entire Agreement; Enforcement of Rights; (v) section 16 - Governing Law; Severability and the Data Privacy Notice set forth above in this Appendix.

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

Tax on Foreign Financial Assets. The value of any Shares (and certain other foreign assets) Participant holds outside Italy will be subject to a foreign financial assets tax, to the extent the aggregate value of the covered foreign assets exceeds €12,000. The taxable amount is equal to the fair market value of the Shares on December 31 or on the last day the Shares were held (in such case, or when the Shares are acquired during the course of the year, the tax is levied in proportion to the number of days the Shares were held over the calendar year) at a rate of 0.2%. If Participant is subject to this foreign financial assets tax, Participant will need to report the value of Participant's financial assets held abroad in Form RM of Participant's annual tax return. Participant should contact Participant's personal tax advisor for additional information about the foreign financial assets tax.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. Participant is required to report details of any assets held outside Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. Participant should consult with Participant's personal tax advisor to determine if the reporting obligation applies to Participant's personal situation.

MEXICO

Terms and Conditions

No Entitlement or Claims for Compensation. These provisions supplement section 7 of the Agreement:

Modification. By accepting the RSUs, Participant understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The grant of RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 4810 Eastgate Mall, San Diego, CA 92121, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis, nor does it establish any rights between Participant and the Employer.

Plan Document Acknowledgment. By accepting the RSUs, Participant acknowledges that Participant has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, Participant further acknowledges that Participant has read and specifically and expressly approved the terms and conditions in paragraph 7 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent or Subsidiary are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of Participant's participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Parent or Subsidiary with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. Estas disposiciones complementan el sección 7 al Contrato:

Modificación. Al aceptar las Unidades de Acciones Restringidas, el Empleado entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.

Declaración de Política. El otorgamiento de Unidades de Acciones Restringidas que la Compañía está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 4810 Eastgate Mall, San Diego, CA 92121, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de Acciones no establece, de forma alguna, establecer una relación de trabajo entre el Empleado y la Compañía, ya que el Empleado está participa en el Plan de una base totalmente comercial, y tampoco establece ningún derecho entre el Empleado y el Patrón.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acciones Restringidas, el Empleado reconoce que el Empleado ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.

Adicionalmente, mediante la firma del Contrato, el Empleado reconoce que el Empleado ha leído y especifica y expresamente ha aprobado los términos y condiciones del sección 7 del Contrato, en el que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía y cualquier empresa Matriz, Subsidiaria o afiliada no son responsables por cualquier disminución en el valor de las Acciones subyacentes a las Unidades de Acciones Restringidas.

Finalmente, el Empleado de acuerdo en que el Empleado no se reserva ninguna acción o derecho para interponer cualquier demanda o reclamación en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga finiquito al Patrón, la Compañía y cualquier empresa Matriz, Subsidiaria o afiliada con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

There are no country-specific provisions.

NORWAY

There are no country-specific provisions.

SINGAPORE

Notifications

Securities Law Information. In reliance on section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“*SFA*”), the grant of RSUs is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the grant of RSUs is subject to section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the RSUs in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. If Participant is a director, associate director or shadow director of the Company’s Singapore Parent or Subsidiary, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Parent or Subsidiary in writing when Participant receives an interest (e.g., RSUs or Shares) in the Company or any Parent or Subsidiary. In addition, Participant must notify the Company’s Singapore Parent or Subsidiary when Participant sells Shares or shares of any Parent or Subsidiary (including when Participant sell Shares issued upon vesting and settlement of the RSUs). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Parent or Subsidiary. In addition, a notification of Participant’s interests in the Company or any Parent or Subsidiary must be made within two business days of becoming a director.

SOUTH AFRICA

Terms and Conditions

Withholding Taxes. The following provision supplements section 6 of the Agreement:

By accepting the RSUs, Participant agrees that, immediately upon vesting and settlement of the RSUs, Participant will notify the Employer of the amount of any gain realized. If Participant fails to advise the Employer of the gain realized upon vesting and settlement, Participant may be liable for a fine. Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Exchange Control Information. To participate in the Plan, Participant must comply with exchange control regulations and rulings in South Africa. Because the exchange control regulations are subject to change, Participant should consult Participant’s personal legal advisor prior to vesting and settlement of the RSUs to ensure compliance with current regulations. Participant is responsible for ensuring compliance with all exchange control laws in South Africa.

SOUTH KOREA

Notifications

Exchange Control Information. If Participant receives US\$500,000 or more from the sale of Shares in a single transaction, South Korean exchange control laws require Participant to repatriate the proceeds to South Korea within 18 months of the sale.

Foreign Asset/Account Reporting Information. If Participant is a Korean resident, Participant must declare all of his or her foreign financial accounts (i.e., non-Korean bank accounts, brokerage accounts, and so on) to the Korean

tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Participant is advised to consult with his or her personal tax advisor to determine if the reporting obligation applies to his or her personal situation.

SPAIN

Terms and Conditions

Termination and Nature of Grant. This provision supplements sections 5 and 7 of the Agreement:

In accepting the RSUs, Participant consents to participate in the Plan and acknowledges that he or she has received a copy of the Plan.

Participant understands and agrees that, as a condition of the grant of the RSUs, Termination for any reason (including the reasons listed below) will automatically result in the loss of the RSUs that may have been granted to Participant and that have not vested as of Participant's Termination Date.

In particular, Participant understands and agrees that any unvested RSUs as of the Termination Date will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of a Termination by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. Participant acknowledges that he or she has read and specifically accept the conditions referred to in section 5 and 7 of the Agreement.

Participant understands that the Company has unilaterally, gratuitously and discretionally decided to grant RSUs under the Plan to individuals who may be employees or service providers of the Company or a Parent or Subsidiary throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Parent or Subsidiary on an ongoing basis other than as set forth in this Agreement. Consequently, Participant understands that the RSUs are granted on the assumption and condition that the RSUs and any Shares issued upon vesting of the RSUs are not part of any employment or service contract (either with the Company or any Parent or Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, Participant understands that the RSUs would not be granted to Participant but for the assumptions and conditions referred to herein; thus, Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the RSUs and any right to the RSUs shall be null and void.

Notifications

Securities Law Notification. The grant of RSUs and the Shares issued pursuant to the vesting of RSUs are considered a private placement outside the scope of Spanish laws on public offerings and issuances of securities. The Plan and the Agreement, including this Appendix, have not been nor will they be registered with the *Comisión Nacional del Mercado de Valores* (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Information. Participant must declare the acquisition, ownership and sale of Shares to the *Spanish Dirección General de Comercio e Inversiones* (the “*DGCI*”) of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be filed in January for Shares acquired or sold during (or held as of December 31 of) the prior year; however, if the value of the Shares purchased under the Plan or the amount of the sale proceeds exceeds €1,502,530, the declaration must be filed within one month of the purchase or sale, as applicable.

Foreign Asset/Account Reporting Information. To the extent Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, and so on) as of December 31 each year, Participant is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, Participant is advised to consult with his or her personal tax and legal advisors to ensure that Participant is properly complying with his or her reporting obligations.

Further, Participant is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the relevant year or the balances in such accounts as of December 31st of the relevant year exceeds €1,000,000.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The grant of RSUs is considered a private offering in Switzerland and is, therefore, not subject to registration in Switzerland.

TURKEY

Notifications

Securities Law Information. Under Turkish law, Participant is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside Turkey, under the ticker symbol “NOW” and the Shares may be sold through this exchange.

Exchange Control Information. Pursuant to Decree No. 32 on the Protection of the Value of the Turkish Currency (“*Decree 32*”) and Communique No. 2008-32/34 on Decree No. 32, any activity related to investments in foreign securities (e.g., the sale of Shares under the Plan) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. Participant is advised to contact a personal legal advisor for further information regarding these requirements.

UNITED KINGDOM

Terms and Conditions

The following terms and conditions apply only if Participant is an Employee. No grants under this Agreement shall be made to Consultants or Directors resident in the United Kingdom.

Responsibility for Taxes. The following provisions supplement section 6 of the Agreement:

Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of income tax that Participant owes at vesting, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the “**Due Date**”) within 90 days after the Due Date, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by Participant to the Employer, effective 90 days after the Due Date. Participant agrees that the loan will bear interest at the Her Majesty’s Revenue and Customs (“**HMRC**”) official rate and will be immediately due and repayable by Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Participant by the Company or Employer, by withholding in Shares issued at settlement or from the cash proceeds from the sale of Shares or by demanding cash or a cheque from Participant. Participant also authorizes the Company to delay the issuance of any Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that Participant is an executive officer or director and income tax is not collected from or paid by Participant within 90 days of the Due Date, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and National Insurance Contributions (“**NICs**”) (including Employer NICs, as defined below) may be payable. Participant acknowledges that the Company or the Employer may recover any such additional income tax and NICs (including Employer NICs, as defined below) at any time thereafter by any of the means referred to in section 6 of the Agreement, although Participant acknowledges that he or she ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Employer for the value of any NICs (including Employer NICs, as defined below) due on this additional benefit.

National Insurance Contributions Acknowledgment. As a condition of participation in the Plan and the vesting of the RSUs, Participant agrees to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the RSUs and any event giving rise to Tax-Related Items (the “**Employer NICs**”). Without limitation to the foregoing, Participant agrees to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the “**Joint Election**”), and any other required consent or election. Participant further agrees to execute such other joint elections as may be required between Participant and any successor to the Company and/or the Employer. Participant further agrees that the Company and/or the Employer may collect the Employer NICs from Participant by any of the means set forth in section 6 of the Agreement.

If Participant does not enter into a Joint Election prior to the vesting of the RSUs or if approval of the Joint Election has been withdrawn by HMRC, the RSUs shall become null and void without any liability to the Company and/or the Employer.

**SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
DENMARK**

ARBEJDSGIVERERKLÆRING	EMPLOYER STATEMENT
<p>I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger vedrørende ServiceNow, Inc. ("Selskabets") 2012 Equity Incentive Plan med senere ændringer ("Ordningen").</p>	<p>Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act"), you are entitled to receive the following information regarding the ServiceNow, Inc. (the "Company") 2012 Equity Incentive Plan (the "Plan") in a separate written statement.</p>
<p>Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige kriterier og betingelser for din tildeling af betingede aktier er beskrevet nærmere i Ordningen, Tildelingsaftalen samt eventuelt andet materiale vedrørende tildeling, som du har fået adgang til. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de begreber, der er defineret i Ordningen eller Tildelingsaftalen.</p>	<p>This statement generally contains only the information mentioned in the Stock Option Act, while the other terms and conditions of your grant of Restricted Stock Units are described in detail in the Plan, the Agreement and any other grant materials provided by the Company, which have been made available to you. Capitalized terms used by not defined herein shall have the same meaning ascribed to them in the Plan or the Agreement.</p>
<p>1. Tidspunkt for tildeling af den vederlagsfri ret til at modtage aktier mod opfyldelse af visse betingelser</p>	<p>1. Date of grant of unfunded right to receive stock upon satisfying certain conditions</p>
<p>Tidspunktet for tildelingen af dine betingede aktier er den dato, hvor Selskabets Bestyrelses vederlagsudvalg ("Udvalget") godkendte din tildeling og besluttede, at tildelingen skulle træde i kraft.</p>	<p>The grant date of your Restricted Stock Units is the date that the Compensation Committee of the Board of Directors of the Company (the "Committee") approved a grant for you and determined it would be effective.</p>
<p>2. Kriterier eller betingelser for tildeling af retten til senere at få tildelt aktier</p>	<p>2. Terms or conditions for grant of a right to future award of stock</p>
<p>Kun de i Ordningens pkt. 3 anførte personer kan deltage i Ordningen. De af Ordningen omfattede betingede aktier tildeles udelukkende efter Udvalgets skøn og hensigten er at realisere de i Ordningens pkt. 1 anførte formål, herunder bl.a. at tilskynde de berettigede modtagere af aktierne til at eje ordinære aktier i Selskabet og motivere deltagerne i Ordningen til fortsat at arbejde for og bidrage til Selskabets fremgang. Selskabet kan frit vælge fremover ikke at tildele dig betingede aktier. Du har hverken ret til eller krav på i fremtiden at få tildelt betingede aktier.</p>	<p>Only persons identified in Section 3 of the Plan are eligible to participate in the Plan. The grant of Restricted Stock Units under the Plan is offered at the sole discretion of the Committee and is intended to achieve the purposes identified in Section 1 of the Plan, including (among other things) encouraging ownership of the Company's common stock by eligible grantees and heightening the desire of participants to continue working toward and contributing to the success of the Company. The Company may decide, in its sole discretion, not to make any grants of restricted stock units to you in the future. You have no entitlement or claim to receive future grants of restricted stock units.</p>
<p>3. Modningstidspunkt eller -periode</p>	<p>3. Vesting Date or Period</p>
<p>Dine betingede aktier modnes over en periode ("modningsperioden"), forudsat at du fortsat er ansat i eller arbejder for Selskabet eller en Tilknyttet Virksomhed og alle betingelser vedrørende performance eller andre betingelser for modning anført i tildelingsmaterialet er opfyldt, medmindre de betingede aktier modnes eller bortfalder på et tidligere tidspunkt af de i Ordningen anførte årsager og med forbehold for pkt. 5 i denne erklæring.</p>	<p>Your Restricted Stock Units shall vest over a period of time ("vesting period"), provided you remain employed by or in the service of the Company or an Affiliate and any performance or other vesting conditions set forth in the grant materials are satisfied, unless the Restricted Stock Units are vested or terminated earlier for the reasons set forth in the Plan and subject to section 5 of this statement.</p>
<p>4. Udnyttelseskurs</p>	<p>4. Exercise Price</p>
<p>Der skal ikke betales nogen udnyttelseskurs, når dine betingede aktier modnes, eller når der udstedes ordinære aktier i Selskabet til dig.</p>	<p>No exercise price is payable upon the vesting of your Restricted Stock Units and the issuance of shares of the</p>

5. Din retsstilling i forbindelse med fratræden

I henhold til Aktieoptionsloven vil dine betingede aktier i tilfælde af din fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Ordningen og Tildelingsaftalen er mere fordelagtige for dig end Aktieoptionslovens §§ 4 og 5. Såfremt bestemmelserne i Ordningen og Tildelingsaftalen er mere fordelagtige for dig, vil disse bestemmelser være gældende for, hvordan dine betingede aktier behandles i forbindelse med din fratræden.

6. Økonomiske aspekter ved at deltage i Ordningen

Tildelingen af betingede aktier har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af de betingede aktier indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige vederlagsafhængige ydelser.

Aktier er finansielle instrumenter. Den fremtidige værdi af Selskabets ordinære aktier kendes ikke og kan ikke forudsiges med sikkerhed.

SERVICENOW, INC.
U.S.A.

Company's common stock to you.

5. Your rights upon termination of employment

Pursuant to the Stock Option Act, the treatment of your Restricted Stock Units upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan and the Agreement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the Plan and the Agreement are more favorable to you, then such terms will govern the treatment of your Restricted Stock Units upon termination of employment.

6. Financial aspects of participating in the Plan

The grant of Restricted Stock Units has no immediate financial consequences for you. The value of the Restricted Stock Units is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments. The future value of the Company's common stock is unknown and cannot be predicted with certainty.

SERVICENOW, INC.
U.S.A.

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
ISRAEL

If you have not already executed a Section 102 Capital Gains Award Confirmation Letter (“*Confirmation Letter*”) in connection with grants made under the Israeli Subplan to the 2012 Equity Incentive Plan (the “*Plan*”), you must print, sign and deliver the signed copy of this Confirmation Letter within 45 days to the Trustee at the following address and the attention of: Erika Ickowicz Aloni, Account Manager, ESOP Trust Company, Aviv Tower, 7 Jabotinsky St. Ramat Gan, 52520 Israel. If the Trustee does not receive the signed Confirmation Letter within 45 days, the stock options and/or restricted stock units will not qualify for preferential tax treatment.

Section 102 Capital Gains Award Confirmation Letter

I hereby confirm and agree that the stock options and/or restricted stock units granted to me by ServiceNow, Inc. (the “*Company*”) under the Israeli Subplan to the Plan that have been designated by the board of directors (or a committee thereof) of the Company as awards subject to the “Capital Gains Track”, according to Section 102(b)(2) and 102(b)(3) and the Income Tax Rules issued thereunder (“*Section 102*”) of the Israel Income Tax Ordinance (the “*Awards*”), shall be subject to the terms and conditions of the “Capital Gains Track” set forth in said Section 102 and shall be held by ESOP Management and Trust Services Ltd. as trustee (the “*Trustee*”) in accordance with the requirements of Section 102 (the “*Holding Period*”).

I hereby declare that:

7. I understand and accept the provisions of Section 102 and the “Capital Gains Track” as they apply to Awards.
8. Subject to the provisions of Section 102, I hereby confirm that I shall not sell and/or transfer the Awards, or any shares or additional rights associated with the Awards, before the “end of the Holding Period” (as defined in Section 102). In the event that I shall elect to sell or release the shares or additional rights, as the case may be, prior to the “end of the Holding Period,” the provisions of Section 102 shall apply and the applicable tax consequences shall be borne solely by me.
9. I understand that the grant of Awards is subject to the receipt of all required approvals from Israeli tax authorities and compliance with the requirements of Section 102.
10. I agree to be bound by the provisions of the Company’s trust agreement with the Trustee.
11. I hereby confirm that I have: (i) read and understand this letter; (ii) received all the clarifications and explanations that I have requested; and (iii) had the opportunity to consult with my advisers before signing this confirmation letter.
12. I hereby confirm that, in addition to my confirmation and agreement hereunder, the acceptance or settlement of any such Awards shall be deemed as irrevocable confirmation of my acknowledgements and undertakings herein with respect to such specific Award.

Name of Employee: _____

ID : _____

Signature: _____

SERVICENOW, INC.
2012 EQUITY INCENTIVE PLAN
UNITED KINGDOM

Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “*Employee*”), who is employed by one of the employing companies listed in the attached schedule (the “*Employer*”) and who is eligible to receive restricted stock units (“*RSUs*”) pursuant to the 2012 Equity Incentive Plan (the “*Plan*”), and
- B. ServiceNow, Inc., 102 S. Sierra Avenue, Solana Beach, CA 92075, U.S.A. (the “*Company*”), which may grant RSUs under the Plan and is entering into this Election on behalf of the Employer.

11. **Introduction**

12.

12.1 This Election relates to all RSUs granted to the Employee under the Plan on or after June 18, 2012, up to the termination date of the Plan.

12.2 In this Election the following words and phrases have the following meanings:

- a. “**Chargeable Event**” means, in relation to the RSUs:
 - i. the acquisition of securities pursuant to restricted stock units (within section 477(3)(a) of ITEPA);
 - ii. the assignment (if applicable) or release of the restricted stock units in return for consideration (within section 477(3)(b) of ITEPA);
 - iii. the receipt of a benefit in connection with the restricted stock units, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);
 - iv. post-acquisition charges relating to the shares acquired pursuant to the restricted stock units (within section 427 of ITEPA); and/or
 - v. post-acquisition charges relating to the shares acquired pursuant to the restricted stock units (within section 439 of ITEPA).
- b. “ITEPA” means the Income Tax (Earnings and Pensions) Act 2003.
- c. “SSCBA” means the Social Security Contributions and Benefits Act 1992.

12.3 This Election relates to the employer's secondary Class 1 National Insurance Contributions (the “*Employer's Liability*”) which may arise on the occurrence of a Chargeable Event in respect of the RSUs pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

12.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

12.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

13. The Election

14.

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

15. Payment of the Employer's Liability

16.

16.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:

- i. by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
- ii. directly from the Employee by payment in cash or cleared funds; and/or
- iii. by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the RSUs, the proceeds of which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("**HMRC**") by the due date; and/or
- iv. where the proceeds of the gain are to be made through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the RSUs, such amount to be paid in sufficient time to enable the Company to make payment to HMRC by the due date; and/or
- v. through any other method as set forth in the applicable RSU agreements entered into between the Employee and the Company.

16.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the RSUs until full payment of the Employer's Liability is received.

16.3 The Company agrees to remit the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days if payments are made electronically).

17. Duration of Election

18.

18.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

18.2 This Election will continue in effect until the earliest of the following:

- i. the Employee and the Company agree in writing that it should cease to have effect;
 - ii. on the date the Company serves written notice on the Employee terminating its effect;
 - iii. on the date HMRC withdraws approval of this Election; or
 - iv. after due payment of the Employer's Liability in respect of the entirety of the RSUs to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.
-

Acceptance by the Employee

The Employee acknowledges that by clicking on the “ACCEPT” box where indicated on the grant acceptance screen, the Employee agrees to be bound by the terms of this Election as stated above.

Acceptance by the Company

The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signature for and on
behalf of the Company _____

Name Ethan Christensen

Position Vice President, Legal

Date _____

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

Service-now.com UK Limited

Registered Office:	Standard House, Weyside Park, Catteshall Lane, Godalming, Surrey, Gu7 1XE
Company Registration Number:	6299383
Corporation Tax District:	201 South London
Corporation Tax Reference:	6359720602
PAYE Reference:	581/LA08194

UK Participants:

Note that by clicking on “I Agree” you hereby agree to accept all liability for secondary Class 1 NICs that may be payable by the Company and/or the Employer in connection with your participation in the ESPP and any event giving rise to Tax-Related Items. You further agree to the “Election To Transfer the Employer’s National Insurance Liability to the Employee” agreement with the Company in the form attached to the Enrollment Form below (the “Joint Election Agreement”) as if you had manually signed and returned the Joint Election Agreement to the Company.

Israeli Participants:

Note that by clicking on “I Agree” you hereby acknowledge that you must sign and return the declaration in the form attached to the Enrollment Form below (the “Joint Election Agreement”) to the Company within 45 days of the beginning of the next offering period.



2012 Employee Stock Purchase Plan (“ESPP”)

(Capitalized terms not defined in this form shall have the meaning set forth in the ESPP.)

<p>SECTION 1: ACTIONS</p>	<p>Check Desired Action:</p> <p><input type="checkbox"/> Enroll in the ESPP</p> <p><input type="checkbox"/> Change Contribution Percentage</p> <p><input type="checkbox"/> Discontinue Contributions</p>	<p>AND Complete Sections:</p> <p>2 + 3 + 4 + 18</p> <p>2 + 4 + 18</p> <p>2 + 5 + 18</p>
<p>SECTION 2: PERSONAL DATA</p>	<p>Name: _____</p> <p>Home Address: _____</p> <p>_____</p> <p>Social Security / Identification No.: _____</p>	<p>Department: _____</p>
<p>SECTION 3: ENROLL</p>	<p>I hereby elect to participate in the ESPP, effective at the beginning of the next Offering Period. I elect to purchase shares of the Common Stock of the Company subject to the terms and conditions of the ESPP and this Enrollment/Change Form, including any applicable country-specific provisions in the Appendix attached hereto (together, the “Enrollment/Change Form”). I understand that shares of Common Stock purchased on my behalf will be issued in street name and deposited directly into my brokerage account with Fidelity Brokerage Services LLC or its affiliates. I hereby agree to take all steps, and sign all forms, required to establish an account with Fidelity Brokerage Services LLC or its affiliates for this purpose.</p> <p>My participation will continue as long as I remain eligible, unless I withdraw from the ESPP by filing a new Enrollment/Change Form with the Company. If I transfer from the Company to a Participating Corporation or visa-versa or between Participating Corporations, my contributions as of the date of transfer will be used to purchase shares on the next Purchase Date unless I choose to have such funds refunded to me. I understand that I cannot resume participation following my transfer until the start of the next Offering Period and must timely file a new enrollment form to do so. I understand that if I am a U.S. taxpayer, I must notify the Company of any disposition of shares of Common Stock purchased under the ESPP.</p>	
<p>SECTION 4: ELECT CONTRIBUTION PERCENTAGE</p>	<p>I hereby authorize the Company to withhold from each of my paychecks such amount as is necessary to equal at the end of the applicable Offering Period ___% of my Compensation (as defined in the ESPP) paid during such Offering Period as long as I continue to participate in the ESPP. That amount will be applied to the purchase of shares of the Company’s Common Stock pursuant to the ESPP. If I am paid in a currency other than U.S. dollars, my contributions will be converted into U.S. dollars prior to the purchase of the Common Stock. The percentage must be a whole number (from 1%, up to a maximum of 15%).</p> <p>Please -increase -decrease my contribution percentage.</p> <p>Note:You may change your contribution percentage only once within a Purchase Period to be effective during such Purchase Period and such change can only be to decrease your contribution percentage. <u>An increase in your contribution percentage can only take effect with the next Offering Period.</u> Each change will become effective as soon as reasonably practicable after the form is received by the Company.</p>	
<p>SECTION 5: DISCONTINUE CONTRIBUTIONS</p>	<p><input type="checkbox"/> I hereby elect to <u>stop my contributions under the ESPP</u>, effective as soon as reasonably practicable after this form is received by the Company. Please <input type="checkbox"/>-refund all contributions to me in cash, without interest OR <input type="checkbox"/>- use my contributions to purchase shares on the next Purchase Date. I understand that I cannot resume participation until the start of the next Offering Period and must timely file a new enrollment form to do so.</p>	

**SECTION 6:
RESPONSIBILITY FOR
TAXES**

I acknowledge that, regardless of any action taken by the Company or, if different, my employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to my participation in the ESPP and legally applicable to me (“Tax-Related Items”) is and remains my responsibility and may exceed any amount actually withheld by the Company or the Employer. If I am subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that Tax-Related Items may be owed by me in more than one jurisdiction and the Company or the Employer may be required to withhold in multiple jurisdictions.

I agree to make adequate arrangements to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the Employer to satisfy any withholding obligations with regard to all Tax-Related Items by withholding from my wages or other cash compensation payable to me by the Company and/or the Employer. If the obligations for Tax-Related Items cannot be satisfied by withholding from my wages or other cash compensation as contemplated herein, then I authorize the Company and/or the Employer or their respective agents to satisfy any obligations with regard to all Tax-Related Items by withholding from proceeds of the sale of shares of Common Stock acquired upon exercise of the option, either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization without further consent).

Finally, I agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of my participation in the ESPP that cannot be satisfied by the means previously described. The Company may refuse to purchase or deliver the shares or the proceeds of the sale of shares of Common Stock, if I fail to comply with my obligations in connection with the Tax-Related Items.

<p>SECTION 7: NATURE OF GRANT</p>	<p>By enrolling and participating in the ESPP, I acknowledge, understand and agree that:(a) the ESPP is established voluntarily by the Company and it is discretionary in nature; (b) the grant of the option is voluntary and does not create any contractual or other right to receive future options to purchase shares of Common Stock, or benefits in lieu of options, even if options have been granted in the past; (c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company; (d) the grant of the option and my participation in the ESPP shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any Subsidiary and shall not interfere with the ability of the Company, the Employer or any Subsidiary to terminate my employment relationship (if any); (e) I am voluntarily participating in the ESPP; (f) the ESPP and the shares of Common Stock purchased under the ESPP are not intended to replace any pension rights or compensation; (g) the ESPP and the shares of Common Stock subject to the ESPP and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; (h) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of the shares of Common Stock purchased under the ESPP may increase or decrease in the future, even below the purchase price; (i) no claim or entitlement to compensation or damages shall arise when I withdraw from the ESPP due to my termination of employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and in consideration of the grant of the option and the issuance of shares of Common Stock under the ESPP to which I am otherwise not entitled, I irrevocably agree never to institute any claim against the Company, its Subsidiaries or the Employer, waive my ability, if any, to bring any such claim, and release the Company, its Subsidiaries and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the ESPP, I shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; (j) in the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), except for certain leave of absences set forth in Section 12 of the ESPP, my right to participate in the ESPP will terminate effective as of the date I cease to actively provide services and will not be extended by any notice period (e.g., employment would not include any contractual notice or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); the Committee shall have exclusive discretion to determine when I am no longer actively employed for purposes of my option; and (k) unless otherwise provided in the ESPP or by the Company in its discretion, the option to purchase shares of Common Stock and the benefits evidenced by this Agreement do not create any entitlement to have the ESPP or any such benefits granted thereunder, transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and (l) the following provisions apply only if I am providing services outside the United States: (A) the ESPP and the shares of Common Stock subject to the ESPP are not part of normal or expected compensation or salary for any purpose; (B) I acknowledge and agree that neither the Company, the Employer nor any Subsidiary, shall be liable for any foreign exchange rate fluctuation between my local currency and the U.S. dollar that may affect the value of the shares of Common Stock or any amounts due pursuant to the purchase of the shares or the subsequent sale of any shares of Common Stock purchased under the ESPP.</p>
<p>SECTION 8: NO ADVICE REGARDING GRANT</p>	<p>The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP, or my acquisition or sale of the underlying shares of Common Stock. I am hereby advised to consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.</p>

<p>SECTION 9: DATA PRIVACY</p>	<p><i>I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other ESPP participation materials (“Data”) by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing my participation in the ESPP.</i></p> <p><i>I understand that the Company and the Employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options under the ESPP or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested, or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the ESPP.</i></p> <p><i>I understand that Data will be transferred to Fidelity Brokerage Services LLC or its affiliates or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company, with the implementation, administration and management of the ESPP. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, Fidelity Brokerage Services LLC and its affiliates, and any other possible recipients which may assist the Company, (presently or in the future) with implementing, administering and managing the ESPP to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the ESPP. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the ESPP. I understand that if I reside outside the United States I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the option to purchase shares of Common Stock under the ESPP or other equity awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the ESPP. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.</i></p>
<p>SECTION 10: LANGUAGE</p>	<p>If I have received this Enrollment/Change Form or any other document related to the ESPP translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.</p>
<p>SECTION 11: ELECTRONIC DELIVERY AND ACCEPTANCE.</p>	<p>The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the ESPP by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the ESPP through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.</p>
<p>SECTION 13: SEVERABILITY</p>	<p>The provisions of this Enrollment/Change Form are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.</p>

<p>SECTION 14: APPENDIX</p>	<p>Notwithstanding any provisions in this Enrollment/Change Form, the right to participate in the ESPP shall be subject to any special terms and conditions set forth in any Appendix to this Enrollment/Change Form for my country. Moreover, if I relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to me, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Enrollment/Change Form.</p>
<p>SECTION 15: IMPOSITION OF OTHER REQUIREMENTS</p>	<p>The Company, at its option, may elect to terminate, suspend or modify the terms of the ESPP at any time, to the extent permitted by the ESPP. I agree to be bound by such termination, suspension or modification regardless of whether notice is given to me of such event, subject in any case to my right to timely withdraw from the ESPP in accordance with the ESPP withdrawal procedures then in effect. In addition, the Company reserves the right to impose other requirements on my participation in the ESPP, on any shares of Common Stock purchased under the ESPP, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.</p>
<p>SECTION 16: GOVERNING LAW</p>	<p>The interpretation, performance and enforcement of this Enrollment/Change Form shall be governed by the laws of the State of Delaware without resort to that State's conflict-of-laws rules. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Enrollment/Change Form, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Jose, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.</p>
<p>SECTION 17: WAIVER</p>	<p>I acknowledge that a waiver by the Company of breach of any provision of this Enrollment/Change Form shall not operate or be construed as a waiver of any other provision of this Enrollment/Change Form or of any subsequent breach by me or any other Participant.</p>
<p>SECTION 18: INSIDER TRADING RESTRICTIONS / MARKET ABUSE LAWS</p>	<p>I acknowledge that depending on my country of residence, I may be subject to insider trading restrictions and/or market abuse laws, which may affect my ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., purchase rights) under the ESPP during such times as I am considered to have "inside information" regarding the Company (as defined by the laws in my country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. I am responsible for complying with any applicable restrictions and am advised to speak with a personal legal advisor on this matter.</p>
<p>SECTION 19: ACKNOWLEDGMENT AND SIGNATURE</p>	<p>I acknowledge that I have received a copy of the ESPP and of the Prospectus (which summarizes the major features of the ESPP). I have read the Prospectus and my signature below (or my clicking on the Accept box if this is an electronic form) indicates that I hereby agree to be bound by the terms of the ESPP and this Enrollment/Change Form.</p> <p>Signature: _____ Date: _____</p>

APPENDIX

SERVICENOW, INC. 2012 EMPLOYEE STOCK PURCHASE PLAN COUNTRY SPECIFIC PROVISIONS FOR NON-U.S. EMPLOYEES

I understand that this Appendix includes special terms and conditions applicable to me if I reside in one of the countries below. Unless otherwise stated, these terms and conditions are in addition to those set forth in the Enrollment/Change Form. Any capitalized term used in this Appendix without definition shall have the meaning ascribed to it in the Enrollment/Change Form or the ESPP, as applicable.

I further understand that this Appendix also includes information relating to exchange control and other issues of which I should be aware with respect to my participation in the ESPP. The information is based on the laws in effect in the respective countries as of April 2014. Such laws are often complex and change frequently. As a result, I understand that the Company strongly recommends that I not rely on the information herein as the only source of information relating to the consequences of my participation in the ESPP because the information may be out of date at the time that I purchase shares of Common Stock or sell shares of Common Stock purchased under the ESPP.

Finally, I understand that if I am a citizen or resident of a country other than the one in which I am currently working, transfer employment after enrolling in the ESPP, or am considered a resident of another country for local law purposes, the information contained herein may not apply to me, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRALIA

Securities Law Notification.

I understand that if I acquire shares of Common Stock under the ESPP and offer shares of Common Stock for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. I understand that I should obtain legal advice on my disclosure obligations prior to making any such offer.

AUSTRIA

Foreign Asset/Account Reporting Information.

If I hold shares of Common Stock acquired under the ESPP outside Austria, I must submit a report to the Austrian National Bank. An exemption applies if the value of the shares of Common Stock as of any given quarter does not exceed €30,000,000 or if the value of the shares of Common Stock in any given year as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when I sell shares of Common Stock acquired under the Plan or receive a dividend. In that case, there may be exchange control obligations if the cash proceeds are held outside Austria. If the transaction volume of all accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

BELGIUM

Foreign Asset/Account Reporting Information.

I understand that I am required to declare any bank accounts opened and maintained outside Belgium on my annual tax return.

BRAZIL

Authorization for ESPP Participation.

I hereby authorize the Employer to make payroll deductions from each of my paychecks in that percentage of my Compensation (up to 15%) that I have specified in the Agreement and I authorize the Employer to remit such accumulated payroll deductions, on my behalf, to the United States of America, to purchase the shares of Common Stock, as provided by Circular No. 3,280/05 of the Central Bank, under the terms of the ESPP.

Upon request by the Company or the Employer, I agree to execute a letter of authorization and any other agreements or consents that may be required to enable the Employer, the Company, any Subsidiary or any third party designated by the Employer or the Company to remit my accumulated payroll deductions from Brazil for the purchase of shares of Common Stock. I understand that if I fail to execute a letter of authorization or any other form of agreement or consent that is required for the remittance of my payroll deductions, I will not be able to participate in the ESPP.

Compliance with Law.

By participating in the ESPP, I agree to comply with applicable Brazilian laws and to pay any and all Tax-Related Items associated with participation in the ESPP, including the purchase and subsequent sale of shares of Common Stock acquired under the ESPP.

Foreign Asset/Account Reporting Information.

If I am resident or domiciled in Brazil, I understand that I will be required to submit an annual declaration of assets and rights held outside Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include any shares of Common Stock acquired under the ESPP. Assets and rights that must be reported also include the following: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including shares of Common Stock acquired under the ESPP; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Termination of Service.

This provision replaces section 7(j) of the Enrollment/Change Form:

In the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), except for certain leave of absences set forth in Section 12 of the ESPP, my right to participate in the ESPP, if any, will terminate effective as of the earlier of (i) the date upon which I receive notice of termination, or (ii) the date on which I am no longer actively providing services to the Employer, regardless of any notice period under Canadian provincial laws (including, but not limited to, statutory law, regulatory law and/or common law); the Committee shall have exclusive discretion to determine when I am no longer actively providing services for purposes of my option.

Securities Law Notification.

I understand that I am permitted to sell shares of Common Stock purchased under the ESPP through the designated broker appointed under the ESPP, provided the resale of shares of Common Stock takes place outside Canada through the facilities of a stock exchange on which the shares are listed. The shares are currently listed on New York Stock Exchange.

Foreign Asset/Account Reporting Information.

I am required to report any foreign property on form T1135 (Foreign Income Verification Statement) if the total cost of my foreign property exceeds C\$100,000 at any time in the year. Foreign property includes shares of Common Stock acquired under the ESPP. The form T1135 must be filed by April 30 of the following year. I am advised to consult with a personal advisor to ensure that I comply with the applicable requirements.

THE FOLLOWING PROVISIONS WILL APPLY IF I AM A RESIDENT OF QUEBEC:

Language Consent.

The parties acknowledge that it is their express wish that the Enrollment/Change Form, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la convention.

Data Privacy.

This provision supplements section 9 of the Enrollment/Change Form:

I hereby authorize the Company, its Subsidiaries and any Company representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the ESPP. I further authorize the Company, its Subsidiaries and the administrators of the ESPP to disclose and discuss the ESPP with their advisors. I further authorize the Company and its Subsidiaries to record such information and to keep such information in my employee file.

DENMARK

Danish Stock Option Act.

I acknowledge that I have received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable and required to comply with the Stock Option Act, I understand that the terms set forth in the Employer Statement will apply to my participation in the ESPP.

Exchange Control and Tax Reporting Notification and Agreement.

I understand that I may hold shares of Common Stock acquired under the ESPP in a safety-deposit account (e.g., a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the shares are held with a non-Danish broker or bank, I am required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, I must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. The bank/broker and I must sign the Declaration V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the safety-deposit account.

In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, I acknowledge that I am solely responsible for providing certain details regarding the foreign brokerage or bank account and any shares of Common Stock acquired at purchase and held in such account to the Danish Tax Administration as part of my annual income tax return. By signing the Form V, I at the same time authorize the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: www.skat.dk/getFile.aspx?Id=47392.

In addition, when I open a deposit account or a brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, I must also file a Declaration K (*Erklæring K*) with the Danish Tax Administration. The bank/broker and I must sign the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, I acknowledge that I am solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of my annual income tax return. By signing the Declaration K, I at the same time authorize the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/getFile.aspx?Id=42409&newwindow=true.

Securities Law Requirements.

I understand that if I work in a country located in the European Economic Area (“EEA”), my participation in the ESPP is subject to special offering terms and may be further limited as a result of applicable securities laws. Specifically, contributions from all Participants working in the EEA will be limited to less than an aggregate amount of €5 million on an annual basis. It is also possible that certain other equity awards in the EEA will count against this €5 million threshold. I understand that, if Participants in the EEA elect to contribute more than this amount during any year, participation rates will be prorated to ensure that this threshold is not exceeded. If my participation will be prorated, I understand that I will receive a notice from the Company explaining the proration.

FINLAND

There are no country-specific provisions.

France

FRENCH TRANSLATIONS OF PROVISIONS CONCERNING AUTHORIZATION TO PARTICIPATE IN ESPP

Participation in the ESPP (section 6 of the ESPP).

(a) Any employee who is an eligible employee determined in accordance with section 4 of the ESPP immediately prior to the initial Offering Period will be automatically enrolled in the initial Offering Period under the ESPP. With respect to subsequent Offering Periods, any eligible employee determined in accordance with section 4 of the ESPP will be eligible to participate in the ESPP, subject to the requirement of Section (b) hereof and the other terms and provisions of the ESPP.

(b) Notwithstanding the foregoing, (i) an eligible employee may elect to decrease the number of shares of Common Stock that such employee would otherwise be permitted to purchase for the initial Offering Period under the ESPP and/or purchase shares of Common Stock for the initial Offering Period through payroll deductions by delivering a Enrollment/Change Form to the Company within thirty (30) days after the filing of an effective registration statement pursuant to Form S-8 and (ii) the Committee may set a later time for filing the Enrollment/Change Form authorizing payroll deductions for all eligible employees with respect to a given Offering Period. With respect to Offering Periods after the initial Offering Period, a Participant may elect to participate in the ESPP by submitting an

Enrollment/Change Form prior to the commencement of the Offering Period (or such earlier date as the Committee may determine) to which such agreement relates.

(c) Once an employee becomes a Participant in an Offering Period, then such Participant will automatically participate in the Offering Period commencing immediately following the last day of such prior Offering Period unless the Participant withdraws or is deemed to withdraw from the ESPP or terminates further participation in the Offering Period as set forth in section 11 of the ESPP. Such Participant is not required to file any additional Enrollment / Change Form in order to continue participation in the ESPP.

Participation dans l'ESPP (section 6 du ESPP).

(a) *Tout salarié qui est un salarié éligible conformément à la section 4 de l'ESPP immédiatement avant la Période initiale d'Offre participera automatiquement à la Période initiale d'Offre de l'ESPP. Concernant les Périodes d'Offres suivantes, tout salarié éligible conformément à la Section 4 de l'ESPP sera éligible pour participer à l'ESPP, à la condition de respecter les conditions énoncées Section (b) des présentes et tous les autres termes et conditions de l'ESPP.*

(b) *Nonobstant ce qui précède, (i) un salarié éligible peut choisir de diminuer le nombre d'Actions Ordinaires dont il aurait pu être autorisé à faire l'acquisition au titre de la Période initiale d'Offre de l'ESPP, et/ou d'acquérir des Actions Ordinaires au titre de la Période initiale d'Offre par prélèvement sur son salaire par la remise d'un Formulaire de Participation/Modification à la Société dans les trente (30) jours suivant le dépôt d'une déclaration d'enregistrement conformément au Formulaire S-8, et, (ii) le Comité peut décider, concernant une Période d'Offre donnée, que le dépôt du Formulaire de Participation/Modification, autorisant le prélèvement sur salaire de tout salarié éligible, peut être repoussé. Concernant les Périodes d'Offres qui suivent la Période initiale d'Offre, un Participant peut choisir de participer à l'ESPP par le dépôt d'un Formulaire de Participation/Modification avant le début de la Période d'Offre concernée (ou toute date antérieure décidée par le Comité).*

(c) *Dès lors qu'un salarié devient un Participant pour une Période d'Offre, alors ledit Participant participera automatiquement à la Période d'Offre commençant immédiatement après le dernier jour de la Période d'Offre antérieure à moins que le Participant se retire, ou soit considéré comme se retirant de l'ESPP, ou cesse sa participation à la Période d'Offre tel que cela est prévu à la Section 11 de l'ESPP. Ledit Participant n'a pas à déposer de Formulaire pour continuer à participer à l'ESPP.*

Payroll Deduction Authorization.

This provision replaces Section 4 of the Enrollment/Change Form:

I hereby authorize the Company to withhold from each of my paychecks such amount as is necessary to equal at the end of the applicable Offering Period ___% of my Compensation (as defined in the ESPP) paid during such Offering Period as long as I continue to participate in the ESPP. That amount will be applied to the purchase of shares of the Company's Common Stock pursuant to the ESPP. If I am paid in a currency other than U.S. dollars, my contributions will be converted into U.S. dollars prior to the purchase of the Common Stock. **The percentage must be a whole number (from 1%, up to a maximum of 5%).**

Please -increase -decrease my contribution percentage.

Note: You may change your contribution percentage only once within a Purchase Period to be effective during such Purchase Period and such change can only be to decrease your contribution percentage. An increase in your contribution percentage can only take effect with the next Offering Period. Each change will become effective as soon as reasonably practicable after the form is received by the Company.

Autorisation du Prélèvement sur Salaire.

Cette disposition remplace Section 4 du Formulaire de Participation/Modification:

Par les présentes, j'autorise la Société à prélever sur chacun de mes salaires le montant nécessaire afin d'égaliser, à la fin de ladite Période d'Offre, ___% de ma Rémunération (telle que définie dans l'ESPP) payée pendant ladite Période d'Offre et ce, aussi longtemps que je continuerais à participer à l'ESPP. Ce montant servira à l'acquisition d'Actions Ordinaires de la Société conformément à l'ESPP. Si je suis payé dans une devise autre que le dollar U.S., mes contributions devront être converties en dollars U.S. avant l'acquisition des Actions Ordinaires. Le pourcentage doit être un chiffre entier (de 1% à un maximum de 5%).

Veillez -augmenter- diminuer mon pourcentage de contribution.

Remarque : Vous pouvez modifier le pourcentage de votre contribution seulement une fois lors d'une Période d'Acquisition pour que cette modification soit effective lors de cette même Période d'Acquisition, et cette modification ne peut que diminuer votre pourcentage de contribution. Une augmentation de votre pourcentage de contribution ne peut prendre effet que lors de la Période d'Offre suivante. Toute modification deviendra effective aussitôt que cela sera raisonnablement pratiquement possible après réception du formulaire par la Société.

Limitations on Shares of Common Stock to be Purchased.

Notwithstanding anything in Section 10 of the ESPP to the contrary, I understand that I am subject to the following additional requirements: (i) I may not purchase more than two hundred (200) whole shares of Common Stock in any individual Purchase Period; and (ii) I will not be granted a right to purchase Common Stock under the ESPP at a rate which exceeds one thousand two hundred and fifty dollars (\$1,250) of the fair market value of such shares of Common Stock (determined at the time such right is granted) for each calendar year in which such right is outstanding at any time.

Language Consent.

By signing and returning or by otherwise accepting the Enrollment/Change Form, I confirm having read and understood the documents relating to the ESPP (the ESPP, the Enrollment/Change Form and this Appendix) which were provided to me in the English language, except for the payroll authorization set forth in French above. I accept the terms of those documents accordingly.

Consentement relatif à la Langue utilisée.

En signant et en renvoyant le présent Formulaire de Participation/Modification ou en l'approuvant d'une quelconque manière, je confirme avoir lu et compris les documents relatifs à cette attribution de droits d'achat d'actions qui m'ont été remis en langue anglaise hormis l'autorisation du prélèvement sur salaire tel que stipulé en français ci-dessus (l'ESPP, le Formulaire de Participation/Modification ainsi que la présente Annexe). J'accepte les conditions afférentes à ces documents en connaissance de cause.

Exchange Control Notification.

I acknowledge and understand that I may hold shares of Common Stock acquired under the ESPP outside France provided that I declare all foreign accounts, whether open, current, or closed in my income tax return.

Securities Law Requirements.

I understand that if I work in a country located in the European Economic Area ("EEA"), my participation in the ESPP is subject to special offering terms and may be further limited as a result of applicable securities laws. Specifically, contributions from all Participants working in the EEA will be limited to less than an aggregate amount of €5 million on an annual basis. It is also possible that certain other equity awards in the EEA will count against this €5 million threshold. I understand that, if Participants in the EEA elect to contribute more than this amount during any year,

participation rates will be prorated to ensure that this threshold is not exceeded. If my participation will be prorated, I understand that I will receive a notice from the Company explaining the proration.

GERMANY

Exchange Control Notification.

Cross-border payments in excess of €12,500 in connection with the sale of securities must be reported monthly to the *Servicezentrum Außenwirtschaftsstatistik*, which is the competent federal office of the Deutsche Bundesbank (the German Central Bank) for such notifications in Germany. I am responsible for obtaining the appropriate form from the bank and complying with the applicable reporting obligations.

Securities Law Notification.

I understand that if I work in a country located in the European Economic Area (“EEA”), my participation in the ESPP is subject to special offering terms and may be further limited as a result of applicable securities laws. Specifically, contributions from all Participants working in the EEA will be limited to less than an aggregate amount of €5 million on an annual basis. It is also possible that certain other equity awards in the EEA will count against this €5 million threshold. I understand that, if Participants in the EEA elect to contribute more than this amount during any year, participation rates will be prorated to ensure that this threshold is not exceeded. If my participation will be prorated, I understand that I will receive a notice from the Company explaining the proration.

HONG KONG

Securities Law Notification.

I acknowledge and understand that the option to purchase shares and any shares of Common Stock to be issued under the ESPP are not a public offering of securities under Hong Kong law and are available only to employees of the Company and any Subsidiary participating in the ESPP.

Furthermore, I acknowledge that the contents of the Agreement, including this Appendix, the ESPP and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, and the documents have not been reviewed by any regulatory authority in Hong Kong. I understand that the option to purchase shares and any shares of Common Stock to be issued under the ESPP are intended only for the personal use of each Participant and may not be distributed to any other person. Furthermore, I acknowledge that I am advised to exercise caution in relation to my participation in the ESPP. If I am in any doubt as to the contents of the Agreement, including this Appendix, or the Plan, I shall obtain independent professional advice.

INDIA

Exchange Control Notification.

Due to exchange control restrictions in India, I understand that I am required to repatriate any proceeds from the sale of shares of Common Stock acquired under the ESPP or the receipt of any dividends to India within 90 days of receipt. I understand I must obtain a foreign inward remittance certificate (“FIRC”) from the bank where I deposit the funds and must maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information.

I understand that I am required to declare (a) any foreign assets held by me or (b) any foreign bank accounts for which I have signing authority in my annual tax return.

ISRAEL

Tax Ruling.

The Company has an Agreed Advanced Tax Ruling (the “Tax Ruling”) from the Israel Tax Authority (“ITA”) with respect to the ESPP offered to Israeli resident employees of ServiceNow A.B. Israel 2012 Ltd. (“ServiceNow Israel”). A copy of the Ruling (in Hebrew with an English translation) is attached to this Appendix for Israel as Exhibit A.

If I am an Israeli resident employee of ServiceNow Israel and have not already executed a declaration to agree to the terms of the Tax Ruling, I must print and execute the declaration attached to this Appendix for Israel as Exhibit B, and submit the declaration to: Michelle Giampaoli, Stock Plan Administrator, ServiceNow, michelle.giampaoli@servicenow.com by the date that is 45 days from the beginning of the applicable offering period. I may print and execute either the Hebrew or the English version of the declaration.

If I do not submit the attached declaration to: Michelle Giampaoli, Stock Plan Administrator, ServiceNow, michelle.giampaoli@servicenow.com by the date that is 45 days from the beginning of the applicable offering period, my participation in the ESPP will be automatically withdrawn, subject to the Committee’s discretion for unforeseen circumstances, and any accumulated payroll deductions will be returned to me as soon as practicable.

I understand that I must also acknowledge acceptance of the Enrollment/Change Form following the procedures and within the time frame indicated on the Fidelity website. The execution and submission of the declaration regarding the Tax Ruling described herein is a separate process that is unique to Israel.

EXHIBIT A

Department of Employee Options

February 4, 2013

Epstein Rosenblum Maoz (ERM) Law Offices

Attn: Yair Benjamini

Re: Agreed Tax Ruling- Calculation of Tax re the Benefit to Employees under the ServiceNow, Inc.

2012 Employee Stock Purchase Plan - ServiceNow A.B. Israel 2012 Ltd.

(With reference to your request of June 16, 2012)

1. **The facts as presented by you:**

- 1.1 Service Now A.B. Israel 2012 Ltd., company no. 514760099, withholding file 943293324 (hereinafter: the “**Company**”) is an Israeli resident private company that was founded in 2012 and employs one (1) employee in Israel.
 - 1.2 The Company is a subsidiary of ServiceNow, Inc. (hereinafter: the “**Parent**”), a US public corporation whose shares are traded on the New York Stock Exchange (NYSE). The Parent provides cloud-based software and services that help IT organizations automate and integrate various enterprise technologies.
 - 1.3 As part of its employee incentive policy, the Parent approved the 2012 Employee Stock Purchase Plan (hereinafter: the “**ESPP**”). Among others, employees of the Company who are not “controlling shareholders” as defined in section 102(a) of the Income Tax Ordinance (hereinafter: the “**Ordinance**”) are eligible to participate in the ESPP.
 - 1.4 The main provisions of the ESPP are as follows:
 - 1.4.1 The ESPP provides for consecutive or overlapping offering periods (hereinafter: the “**Offering Periods**”), during which eligible employees can participate in the ESPP and be granted the right to purchase shares in the Parent (hereinafter: the “**Shares**”). The first day of each Offering Period is referred to as the offering date (hereinafter: the “**Offering Date**”). The first business day of the initial Offering Period was June 28, 2012, which was the date the Parent’s stock was initially offered to the public. Each Offering Period is comprised of one six-month purchase period at the end of which the employee is eligible to purchase Shares (hereinafter: the “**Purchase Period**”). The first Offering Period will take place from June 28, 2012 until approximately January 31, 2013, and the first Purchase Period will take place from June 28, 2012 until January 31, 2013.
 - 1.4.2 Subsequent Offering Periods will consist of a single six-month Purchase Period, beginning on each February 1 and August 1 and ending on the following July 31 and January
-

31, respectively. The committee that administers the ESPP may change the length of the Offering Periods or the Purchase Periods, provided that no Offering Period has a duration exceeding 27 months. The relevant date on which Shares will be purchased will be the last business day of the relevant Offering Period (each of these dates will be referred to hereinafter as: the “**Purchase Date**”).

- 1.4.3 Employees of the Company are eligible to purchase Shares at a 15% discount of the lower of:
 - a. the closing price of the Shares on the Offering Date; or
 - b. the closing price of the Shares on the Purchase Date (hereinafter: the “**Exercise Price**”).
- 1.4.4 For the first Offering Period, the employees that participated in the ESPP automatically received the right to purchase Shares with monthly sums deducted from their salary, where the default was that 15% of the employee’s net salary during the Purchase Period was saved toward the purchase (hereinafter: the “**Savings Amount**”). The Savings Amount will be used solely for the purchase of Shares and will not exceed 15% of the employee’s monthly base salary. The employee may elect to decrease the percentage of cash compensation that he authorizes for use during the first Offering Period by delivering a form to the Parent prior to the first Purchase Date. Neither the Company nor the Parent will pay interest on the Savings Amount.
- 1.4.5 The employee may withdraw from the ESPP at any time in a manner determined by the Parent. Should the employee withdraw from the ESPP prior to the end of the Offering Period or during any other time designated by the committee, all accrued salary deductions will be returned to him, without interest, at the earliest possible date. The employee may not withdraw less than all of his accrued salary deductions. Even if the employee withdraws from the ESPP, the employee may resume participation in the ESPP in any future Offering Period by submitting a new enrollment form to the Parent prior to the beginning of the subsequent Offering Period or at an earlier date, as provided by the committee.
- 1.4.6 The ESPP contains quantitative limitations regarding the number of Shares that each employee is entitled to purchase. In any event, an employee may not purchase more than 1,500 Shares during each Offering Period.
- 1.4.7 Attached as Appendix A hereto is the ESPP and its conditions per your submissions.

2. **The Request:**

- 2.1 The employee’s enrollment in the ESPP will not constitute a tax event and will not be subject to tax on that date.
-

2.2 On the date the options are exercised and the employee purchases the Shares, the employee will be subject to tax for the benefit resulting from the difference between the market value of the Shares at the close of trading on the Purchase Date and the Exercise Price the employee paid from the Savings Amount. The tax rate will be the employee's marginal tax rate according to the tax liability for employee grants under the non-trustee track. The tax will be withheld at the source by the Company.

2.3 On the date of sale of the Shares by the employee, the Parent and/or the Company will not withhold tax at source, and the employee will be taxed according to Section E of the Ordinance.

3. **The tax arrangement and its conditions:**

Relying on the facts provided by you and detailed in section 1 above, the Income Tax Authority approves the tax arrangement relating to the ESPP on compliance with the following conditions:

- 3.1 This tax arrangement applies to the ESPP whose Offering Periods will commence from June 28, 2012, only for employees of the Company, and so long as the provisions of the law are not changed, and only if the Company and the employees will act in accordance with the provisions of this tax arrangement.
 - 3.2 Each term in this tax arrangement shall have the meaning ascribed to it in Part E-1 of the Ordinance, unless otherwise expressly provided.
 - 3.3 The provisions of section 102(c)(2) of the Ordinance and the Income Tax Rules (Tax Benefits for Employee Share Allotments), 2003 (hereinafter: the "Rules") will apply to the grant of the ESPP to the employees of the Company.
 - 3.4 The Company will not take any tax deductions related to the ESPP, regardless of whether the employees of the Company participate in the tax agreement or not.
 - 3.5 Notwithstanding section 3.2 above, the end of each Offering Period will be deemed an "exercise" for the purpose of section 102(c)(2) of the Ordinance (hereinafter: the "**Exercise Date**"), and the following provisions will apply:
 - 3.5.1 All Shares that an employee received on the Exercise Date will be deemed sold according to the closing price of the Shares on the Exercise Date (hereinafter: the "**Share Price**").
 - 3.5.2 The employee will be liable for employment income according to section 2(2) of the Ordinance for the difference between the Share Price and the Exercise Price that the employee paid on the Exercise Date, multiplied by the total Shares purchased by the broker in his name (hereinafter: the "**Value of the Benefit**").
 - 3.5.3 **On the Exercise Date, the Company will withhold tax for the Value of the Benefit and will transfer the relevant withholding to the Assessing Officer, as required by section 9(e) of the Rules.**
 - 3.5.4 Employees will be deemed residents of Israel until the date on which the Shares are actually sold, in respect of the income from the ESPP that is the subject of this tax agreement. The aforesaid will not apply to Offering Periods after an employee is no longer a resident of Israel if the employee has secured approval from the ITA on the termination of his Israeli residency or if the Company secures a tax agreement with respect to severing Israeli residency of its employees.
 - 3.5.5 On the actual date of sale the Shares, Part E of the Ordinance will apply to the employee, and the price of the Shares and the end of the Offering Period (as stated in section 3.4.1 above) will be deemed the original price of the Shares on the Purchase Date.
 - 3.5.6 For the avoidance of doubt, it is clarified that the reporting and tax payment obligations for the income described in section 3.5.5 above, on the actual date of sale, are the sole obligations of the employees.
 - 3.6 This tax agreement is condition on the full satisfaction of the conditions of the law and this agreement. This agreement is given on reliance on the representations that you provided above. If it is later discovered that the details you provided in the context of the request are not accurate, or substantively incomplete, and/or one of the conditions is not complied with, the following consequences will result: the employees that purchase Shares on the Purchase Date will be liable for income tax as employment income under section 2
-

(2) of the Ordinance on the actual date of sale of the Shares, at the highest price of the Shares from the beginning of the Offering Period until the sale of the Shares to an unrelated third party, as defined by section 88 of the Ordinance, including interest and linkage differentials from the grant date.

- 3.7 This tax agreement does not amount to an assessment or approval of the facts as presented by you. The facts as presented by you shall be examined by the Assessing Officer via his examination of the Company and/or the employees participating in the ESPP, as applicable.
- 3.8 This tax agreement is valid from the Offering Periods that will begin through December 31, 2017. Following that period, you may request an extension from the ITA (if any).
- 3.9 Within 60 days of the date hereof, and within 60 days from a new employee's enrolment in the ESPP, as applicable, the Company and the employees participating in the ESPP will submit a declaration in the form provided in **Exhibit B** to this tax agreement. Section 3.6 above will apply to an employee who does not sign the declaration. The Company and the employees' declarations will be valid with respect to the ESPP for all Offering Periods that are the subject of this tax agreement, and accordingly for the period stated in section 3.1 above. The Company will submit a list of the employees that did not participate in this tax agreement to the Assessing Officer within 60 days of the receipt of this tax agreement or within 60 days of the beginning of each Offering Period, as applicable.

Yours truly,

Eran Dvir, CPA (jurist)
Superior (Professional Division)

Copies:

Mr. Aaron Elijahu, CPA - Senior VP for Professional Issues.
Mr. Gilad Takoa, CPA - Jerusalem 3 Assessing Officer
Mr. Raz Itzkovitch, CPA (Jurist) - Department Manager - Employee Options
Mr. Rafi Tawina, Adv. - Senior Department Manager (Employee Options), Legal Department

EXHIBIT A

החטיבה המקצועית

מחלקת אופציות לעובדים

כ"ד שבט, תשע"ג
4 פברואר, 2013

לכבוד
אפשטיין רוזנבלום מעוז עורכי דין
לידי: יאיר בנימיני, עו"ד

א.נ.,

הנדון: החלטת מיסוי בהסכם - חישוב המס בגין טובת ההנאה שנוצרה לעובד בתוכנית לרכישת מניות לעובדים בחברת סרוויס נאו א.ב. ישראל 2012 בע"מ
(סימוכין: פנייתכם מיום 16/6/12)

1. העובדות כפי שנמסרו לנו על ידכם:

1.1. סרוויס נאו א.ב. ישראל 2012 בע"מ, ח.פ. 514760099, תיק ניכויים 943293324 (להלן: "החברה"), הינה חברה פרטית תושבת ישראל, אשר נוסדה בשנת 2012 ומעסיקה בישראל שני עובדים.

1.2. החברה הינה חברת בת של חברת ServiceNow, Inc. (להלן: "חברת האם"), חברה ציבורית שמניותיה נסחרות בבורסת ניו יורק שבארה"ב (NYSE). חברת האם מספקת תוכנה ושירותים מבוססי טכנולוגיית 'ענן' שמסייעים לארגוני IT לשלב ולבצע אוטומטיזציה של טכנולוגיות ארגוניות שונות.

1.3. חברת האם אימצה תוכנית ESPP - 2012 Employee Stock Purchase Plan (להלן: "תוכנית ה-ESPP"), בה זכאים להשתתף, בין השאר, עובדי החברה שאינם בעלי שליטה כמשמעותם בסעיף 102(א) לפקודת מס הכנסה (להלן: "הפקודה").

1.4. להלן עקרונות תכנית ה-ESPP:

1.4.1. תוכנית ה-ESPP כוללת תקופות חיסכון רצופות או חופפות (להלן:

"תקופות החיסכון") שבהן עובדים זכאים יכולים להשתתף בתוכנית ה-ESPP ולקבל את הזכות לרכוש מניות של חברת האם (להלן: "המניה").

היום הראשון של כל תקופת החיסכון מכונה תאריך ההצעה (להלן: "תאריך תחילת תקופת החיסכון"). יום העסקים הראשון של תקופת

החיסכון הראשונה הינו 28 ליוני 2012, שהיה המועד בו מניות חברת האם הוצעו לראשונה לציבור. כל תקופת חיסכון מורכבת מתקופה אחת של

שישה חודשים שבסיומה זכאי העובד לרכוש מניות (להלן: "תקופת הרכישה"). עם זאת, תקופת החיסכון הראשונה תימשך החל מ- 28 ליוני

רח' מנחם בגין 125, קריית הממשלה, ת"א, קומה 14, טל': 076-8090589 פקס: 076-8090589

החטיבה המקצועית

2012 ועד ל- 31 לינואר 2013 לערך, ותקופת הרכישה הראשונה תימשך החל מ- 28 ליוני 2012 ועד ל- 31 ינואר 2013.

1.4.2. תקופות החיסכון הבאות יכללו תקופת רכישה אחת של שישה חודשים אשר תחל ב- 1 בפברואר וב- 1 באוגוסט ותסתיים ב- 31 ליולי שלאחריו וב- 31 לינואר שלאחריו, בהתאמה. הועדה המנהלת את תוכנית ה-ESPP רשאית לשנות את תקופות החיסכון או תקופות הרכישה, ובלבד שתקופת החיסכון לא תארך יותר מ- 27 חודשים. התאריך הרלוונטי שבו ירכשו העובדים מניות יהיה יום העסקים האחרון של תקופת הרכישה הרלוונטית (כל אחד מתאריכים אלה יכונה להלן גם: "תאריך הרכישה").

1.4.3. עובדי החברה זכאים לרכוש מניות רגילות של חברת האם, בהנחה של 15% ממחיר הנמוך מבין:
א. מחיר השוק של המניה נכון ל- תאריך תחילת תקופת החיסכון
ב. מחיר השוק של המניה בתאריך הרכישה.
(להלן: "מחיר המימוש")

1.4.4. ביחס לתקופת החיסכון הראשונה, העובדים המשתתפים בתוכנית ה-ESPP קיבלו באופן אוטומאטית זכות לרכוש מניות באמצעות סכומים אשר העובד מפריש מדי חודש משכרו, כאשר ברירת המחדל היא שהעובד יפנה לטובת רכישה סכום השווה ל-15% ממשכורתו נטו לאחר ניכוי מיסים כדין בתקופת הרכישה (להלן: "סכום החיסכון"). סכום החיסכון ישמש אך ורק לרכישת מניות ולא יעלה על 15% מהשכר החודשי הבסיסי של העובד. העובד יכול לבחור להקטין את שיעור התמורה במזומן שבה יעשה שימוש לטובת תקופת החיסכון הראשונה על ידי מסירת טופס לחברת האם לפני תאריך הרכישה הראשונה. החברה וחברת האם אינן משלמות ריבית על סכום החיסכון לתוכנית ה-ESPP.

1.4.5. העובד יכול לבטל את השתתפותו בתוכנית ה-ESPP בכל עת בדרך שתיקבע על ידי חברת האם. במידה ועובד יבטל את השתתפותו לפני תום תקופת החיסכון או בכל פרק זמן אחר שיקבע על ידי הוועדה, כל הסכום המצטבר של ניכויי השכר יוחזרו ללא ריבית בהקדם האפשרי. העובד לא יכול למשוך פחות מכל ניכויי השכר שנצברו לו. במקרה של ביטול

רח' מנחם בגין 125, קריית הממשלה, ת"א, קומה 14, טל': 076-8090589 פקס: 076-8090589

החטיבה המקצועית

ההשתתפות בתוכנית ה-ESPP מבחירתו של העובד, העובד רשאי לשוב ולהשתתף בתוכנית בכל תקופת חיטכון עתידית על ידי הגשת טופס הרשמה חדש לחברת האם לפני תאריך תחילת תקופת החיטכון הבאה או במועד מוקדם יותר כפי שייקבע ע"י הוועדה.

1.4.6. בתוכנית ה-ESPP נקבעו מגבלות כמותיות בנוגע למניות שכל עובד רשאי לרכוש. בכל מקרה, ניתן לרכוש לא יותר מ-1500 מניות במהלך כל תקופת חיטכון.

1.4.7. מצ"ב נספח א' תוכנית ה-ESPP ותנאיה כפי שנמסרו על ידכם.

2. הבקשה:

2.1. הצטרפות העובד לתוכנית ה-ESPP לא תהווה אירוע מס ולא יחול חיוב במס במועד זה.

2.2. במועד מימוש האופציה כאשר תבוצע רכישת המניות עבור העובד, יחויב העובד במס עבור ההטבה הנובעת מההפרש בין מחיר השוק של המניות בתום יום המסחר בתאריך הרכישה, למחיר המימוש ששולם עבורן בפועל. שיעור המס שיחול יהיה שיעור המס השולי של העובד בהתאם לחבות המס בהקצאת מניות לעובדים ללא נאמן. המס ינוכה במקור על-ידי החברה.

2.3. במועד מכירת המניות על-ידי העובד, חברת האם ו/או החברה לא יידרשו לנכות מס במקור במועד המכירה כאמור, וכי במועד זה העובד ימוסה במסגרת חלק ה' לפקודה.

3. החלטת המיסוי ותנאיה:

בהסתמך על העובדות שהוצגו על ידכם ופורטו בסעיף 1 לעיל, נציבות מס הכנסה מאשרת את הסדר המס לגבי תוכנית ה-ESPP כדלקמן ובהתקיים כל התנאים הבאים:

- 3.1. החלטת מיסוי זו הינה בתוקף לגבי תוכנית ה-ESPP החיסכון שתקופות ההצעה שלהן יחלו ב- 28 יוני 2012 לעובדי החברה בלבד, וכל עוד לא ישונו הוראות החוק ובלבד שהחברה והעובדים נהגו בהתאם להוראות החלטת מיסוי זו.
- 3.2. לכל מונח בהחלטת מיסוי זו תהא המשמעות הנודעת לו בחלק ה-1 לפקודה, אלא אם נאמר במפורש אחרת.
- 3.3. על תוכנית ה-ESPP לעובדי החברה, יחולו הוראות סעיף 102(ג)(2) לפקודה וכללי מס הכנסה (הקלות מס בהקצאת מניות לעובדים), התשס"ג-2003 (להלן: **"הכללים"**).
- 3.4. לחברה לא תותר כל הוצאה בשל תוכנית ה-ESPP, בין אם ביקשו עובדי החברה להצטרף להחלטת מיסוי זו ובין אם לאו.
- 3.5. על אף האמור בסעיף 3.2 לעיל, יראו בתום כל תקופת חיסכון כ"מימוש" לעניין סעיף 102(ג)(2) לפקודה (להלן: **"מועד מימוש"**), ויחולו הוראות אלה:
 - 3.5.1. יראו את כל המניות שקיבל העובד במועד המימוש, כנמכרות לפי שער הסגירה שנקבע למניה בסוף יום העסקים של מועד המימוש (להלן: **"מחיר המניה"**).
 - 3.5.2. העובד יחויב כהכנסת עבודה לפי סעיף 2(2) לפקודה בגין ההפרש שבין מחיר המניה לבין מחיר המניה ששילם העובד במועד המימוש כשהוא מוכפל בסה"כ המניות שנרכשו ע"י הברוקר על שמו (להלן: **"שווי ההטבה"**).
 - 3.5.3. במועד המימוש כאמור, תנכה החברה את המס משווי ההטבה ותעבירו לפקיד השומה ניכויים הרלבנטי, כנדרש בסעיף 9(ה) לכללים.
 - 3.5.4. יראו בעובד כתושב ישראל עד למועד מכירת המניה בפועל, בכל האמור ביחס להכנסות מתוכנית ה-ESPP נשוא החלטת מיסוי זו. האמור בסעיף זה לא יחול לגבי תקופות החיסכון שיחולו לאחר

החטיבה המקצועית

המועד שבו חדל העובד להיות תושב ישראל, בין אם ימצא העובד אישור מרשות המסים על הפסקת היותו תושב ישראל ובין אם החברה תגיע להסדר מס עם רשות המסים בנוגע לניתוק תושבותם של מי מעובדיה.

3.5.5. במועד מכירת המניות בפועל, יחולו על העובד הוראות חלק ה' לפקודה, ויראו את מחיר המניה ואת תום תקופת החיסכון (כאמור בסעיף 3.4.1 לעיל), כמחירן המקורי של המניות ביום רכישתן, בהתאמה.

3.5.6. למען הסר ספק, יובהר כי חובת הדיווח וחבות תשלום המס בגין ההכנסות שניבעו לעובדים מהמניות נשוא החלטת מיסוי זו, במועד מכירתן בפועל כאמור בסעיף 3.5.5 זה לעיל, תחול על העובדים בלבד.

3.6. החלטת מיסוי זו מותנה בקיומם המלא של יתר התנאים בחוק ובהחלטת מיסוי זו. החלטת מיסוי זו ניתנה על סמך המצגים שהוצגו בפנינו כמפורט לעיל. אם יתברר שהפרטים שנמסרו במסגרת הבקשה אינם נכונים, או שאינם מלאים באופן מהותי ו/או לא התקיים אחד מתנאי החלטת המיסוי יחול האמור להלן: העובדים שירכשו עבורם מניות בתאריך הרכישה, יחויבו במס כהכנסת עבודה מכוח סעיף 2(2) לפקודה במועד מכירת המניות בפועל, בגין מחיר המניה הגבוה ביותר של המניות, בתקופה שממועד תחילת תקופת החיסכון ועד למועד מכירת המניות לצד ג' שאינו קרוב כהגדרתו בסעיף 88 לפקודה של העובד, ובתוספת ריבית והפרשי-הצמדה ממועד הקצאתן.

3.7. אין בהחלטת מיסוי זו משום עשיית שומה ואישור לעובדות כפי שהוצגו העובדות שהוצגו כאמור תיבדקנה על-ידי פקיד השומה במהלך דיוני השומות בתיק החברה ו/או מחזיקי הזכויות לפי העניין.

3.8. תוקף החלטת מיסוי זו הינו לתקופות חיסכון אשר יתחילו עד ליום 31.12.2017. לאחר מועד זה יש לפנות לרשות המיסים בישראל בבקשה להאריכה, אם בכלל.

3.9. תוך 60 ימים מקבלת החלטת מיסוי זו ותוך 60 ימים לאחר הצטרפותו של עובד חדש לתוכנית ה-ESPP, לפי העניין, יגישו החברה והעובדים להם יוענקו המניות מכוח תוכנית ה-ESPP או העובדים החדשים, לפי העניין, הצהרה בנוסח הקבוע **כנספח ב'** להחלטת מיסוי זו. עובד שלא יחתום כאמור יחולו לגביו הוראות סעיף 3.6 לעיל. הצהרת החברה והעובדים תהא בתוקף לגבי תוכנית ה-ESPP

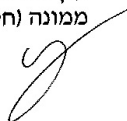
רח' מנחם בגין 125, קריית הממשלה, ת"א, קומה 14, טל': 076-8090589 פקס: 076-8090589

החטיבה המקצועית

בכל תקופת החיסכון נשוא התוכנית ובהתאם לתקופה האמורה בסעיף 3.1 לעיל. החברה תשלח לפקיד השומה בתוך 60 ימים מקבלת החלטת מיסוי זו ו/או תוך 60 ימים לאחר תחילת כל תקופת חיסכון, לפי העניין, רשימה של העובדים שלא הצטרפו להחלטת מיסוי זו.

בכבוד רב,

ערן צבי דביר, רו"ח (משפטן)
ממונה (חטיבה מקצועית)



הערות:

1. מר אהרון אליהו, רו"ח - סמנכ"ל בכיר לעניינים מקצועיים.
2. מר גלעד תקוע, רו"ח - פקיד שומה ירושלים 3.
3. מר רו איצקוביץ, רו"ח (משפטן) - מנהל תחום (אופציות לעובדים).
4. מר רפי טוינה, עו"ד - מנהל מחלקה בכיר (אופציות לעובדים), חטיבה משפטית.

רח' מנחם בגין 125, קריית הממשלה, ת"א, קומה 14, טל': 076-8090589 פקס: 076-8090589

EXHIBIT B

Re: Agreed Tax Ruling- ServiceNow A.B. Israel 2012 Ltd.

Pursuant to section 3.9 of the Tax Ruling dated February 4, 2013, "Tax Ruling by Agreement - Calculation of Tax re the Benefit to Employees under the ServiceNow, Inc. 2012 Employee Stock Purchase Plan (the "ESPP") - ServiceNow A.B. Israel 2012 Ltd." (the "Tax Ruling"), I, the undersigned employee, declare that I understand the Tax Ruling, will act in accordance with it, and will not request to change it and/or annul it, and/or replace it, and/or will not request additional tax benefits other than those provided in this Tax Ruling.

In addition, I understand that should I sell the shares of Common Stock (as defined under the ESPP) purchased under the ESPP more than three (3) days after I purchase such shares, I will be required, by Israeli law, to report on all profits and/or losses from such sales on my Annual Return, to report to the Tax Authorities according to section 91(d), and to make advanced tax payments as required by law.

Additionally, I understand that I will be required to file an Annual Return to the Assessing Officer even if I do not currently file an Annual Return.

I also declare that I understand that a failure to file an Annual Return or a failure to pay tax, as required by Israeli law, on any income from sale of shares of Common Stock that I purchased under the ESPP is a criminal offense.

Executed by:

Signature	Date	ID	Employee name

EXHIBIT B

הנדון: החלטת מיסוי בהסכם - סרוויס נאו א.ב. ישראל 2012 בע"מ

בחברת (ESPP) חישוב המס בגין טובת ההנאה שנוצרה לעובד בתוכנית לרכישת מניות לעובדים", 11.1. אבהתאם לסעיף 3.9 להחלטת המיסוי מיום 2012 סרוויס נאו א.ב. ישראל 2012 בע"מ (להלן: "החלטת המיסוי"), העובד החתום מטה, מצהיר בזאת כי הבין את החלטת המיסוי וכי ינהג לפיה, ולא יבקש לשנותה ו/או לבטלה ו/או להחליפה באחרת, ו/או ידרוש הפחתת מס נוספת מעבר לקבוע בהחלטת מיסוי זו.

לאחר שחלפו יותר משלושה ESPP-בנוסף, הריני מבין שבמידה ואבחר למכור את המניות שיוקצו לי במסגרת תוכנית ה ימים מיום רכישתם, אהיה מחוייב על פי דין לדווח על כל רווח ו/או הפסד ממכירות אלה בדו"ח השנתי וכן בדיווח לפי סעיף 91(ד) לרשויות המס ובתשלום מקדמת מס כדין.

כך הנני מבין כי יהיה עלי להגיש דו"ח שנתי לפקיד השומה גם אם כיום אינני מגיש דו"חות שנתיים.

אני בנוסף מצהיר ומבין כי אי הגשת דו"ח שנתי או אי תשלום מס כדין על הכנסותי ממכירת מניות שנרכשו במסגרת הן עבירות פליליות ESPP-תוכנית ה

על החתום:

שם העובד	מספר ת.ז.	תאריך	חתימה

ITALY

Data Privacy.

This provision replaces section 9 of the Enrollment/Change Form:

I understand that the Company, the Employer and any Subsidiary may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance (to the extent permitted under Italian law) or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Subsidiary, details of all options under the ESPP or other entitlement to shares of Common Stock granted, awarded, canceled, exercised, vested, unvested or outstanding in my favor, and that the Company and the Employer will process said data and other data lawfully received from third parties ("Data") for the exclusive purpose of implementing, managing and administering my participation in the ESPP and complying with applicable laws, including community legislation.

I also understand that providing the Company with Data is necessary to effectuate my participation in the ESPP and that my refusal to do so would make it impossible for the Company to perform its contractual obligations and may affect my ability to participate in the ESPP. The controllers of Data processing are ServiceNow, Inc. with registered offices at 3260 Jay Street, Santa Clara, CA 95054 and ServiceNow Italy S.R.L., which is also the Company's representative in Italy for privacy purposes pursuant to Legislative Decree no. 192/2003.

I understand that Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing such Data and the data processor ("Processor"). An updated list of Processors and other transferees of Data is available upon request from the Employer.

Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the ESPP. I understand that Data may also be transferred to the Company's stock plan service provider, Fidelity Brokerage Services LLC, or such other administrator that may be engaged by the Company in the future. I further understand that the Company and/or any Subsidiary will transfer Data among themselves as necessary for the purpose of the implementation, administration and management of my participation in the ESPP. The Data recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purpose of implementing, administering, and managing my participation in the ESPP. I understand that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending or terminating the ESPP, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the ESPP.

I understand that Data processing for the purposes specified in the Enrollment/Change Form shall take place under automated or non-automated conditions, anonymously when possible, and with confidentiality and security provisions, as set forth by Applicable Laws, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including the transfer of Data abroad, including outside the European Economic Area, as specified in the Enrollment/Change Form, does not require my consent thereto as the processing is necessary for the performance of legal and contractual obligations related to implementation, administration and management of the ESPP. I understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, I have the right at any moment to, without limitation, obtain information on Data held, access and verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Data processing by contacting my local human resources representative. Finally, I am aware that Data will not be used for direct marketing purposes.

ESPP Document Acknowledgement.

I acknowledge that by accepting the RSUs, I have been given access to the ESPP document, have reviewed the ESPP and the Enrollment/Change Form in their entirety and fully understand and accept all provisions of the ESPP and the Enrollment/Change Form. Further, I specifically and expressly approve the following clauses of the Enrollment/Change Form: (i) section 6 - Responsibility for Taxes; (ii) section 7 - Nature of Grant; (iii) section 16 - Governing Law; and the Data Privacy section set forth above in this Appendix.

Foreign Asset/Account Reporting Information.

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

Tax on Foreign Financial Assets.

The value of any shares of Common Stock (and certain other foreign assets) I hold outside Italy will be subject to a foreign financial assets tax, to the extent the aggregate value of the covered foreign assets exceeds €12,000. The taxable amount is equal to the fair market value of the shares of Common Stock on December 31 or on the last day the shares of Common Stock were held (in such case, or when the shares of Common Stock are acquired during the course of the year, the tax is levied in proportion to the number of days the shares of Common Stock were held over the calendar year). For 2014, such tax is levied at a rate of 0.2%. If I am subject to this foreign financial assets tax, I will need to report the value of my financial assets held abroad in Form RM of my annual tax return. I should contact my personal tax advisor for additional information about the foreign financial assets tax.

JAPAN

Exchange Control Information.

If I pay more than ¥30,000,000 for the purchase of shares of Common Stock in any one transaction, I must file an *ex post facto* Payment Report with the Ministry of Finance (through the Bank of Japan or the bank carrying out the transaction). The precise reporting requirements vary depending on whether the relevant payment is made through a bank in Japan. If I acquire shares of Common Stock whose value exceeds ¥100,000,000 in a single transaction, I must also file an *ex post facto* Report Concerning Acquisition of Shares with the Ministry of Finance through the Bank of Japan within 20 days of acquiring the shares of Common Stock. The forms to make these reports can be acquired at the Bank of Japan.

A Payment Report is required independently of a Report Concerning Acquisition of Securities. Consequently, if the total amount that I pay on a one-time basis to purchase shares exceeds ¥100,000,000, I must file both a Payment Report and a Report Concerning Acquisition of Securities.

Foreign Asset/Account Reporting Information.

I am required to report details of any assets held outside Japan as of December 31 (including shares of Common Stock acquired under the ESPP), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 each year. I am advised to consult with my personal tax advisor to determine if the reporting obligation applies to my personal situation.

MEXICO

No Entitlement or Claims for Compensation

The following provisions supplement section 7 of the Enrollment/Change Form:

Modification.

By participating in the ESPP, I understand and agree that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of my employment.

Policy Statement.

I acknowledge that the option to purchase shares of Common Stock is making under the ESPP is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

I acknowledge that the Company, with registered offices at 4810 Eastgate Mall, San Diego, CA 92121, U.S.A., is solely responsible for the administration of the ESPP and participation in the ESPP and the acquisition of shares does not, in any way, establish an employment relationship between myself and the Company since I am participating in the ESPP on a wholly commercial basis, nor does it establish any rights between myself and the Employer.

Plan Document Acknowledgment.

By participating in the Plan, I acknowledge that I have received copies of the ESPP, have reviewed the ESPP and the Agreement in their entirety and fully understand and accept all provisions of the ESPP and the Agreement.

In addition, by accepting the Agreement, I further acknowledge that I have read and specifically and expressly approved the terms and conditions in section 7 of the Agreement, in which the following is clearly described and established: (i) participation in the ESPP does not constitute an acquired right; (ii) the ESPP and participation in the ESPP is offered by the Company on a wholly discretionary basis; (iii) participation in the ESPP is voluntary; and (iv) the Company and any Subsidiary are not responsible for any decrease in the value of the shares.

Finally, I hereby declare that I do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of my participation in the ESPP and therefore grant a full and broad release to the Employer, the Company and any Subsidiary with respect to any claim that may arise under the ESPP.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación

Las siguientes disposiciones complementan la sección 7 del Contrato:

Modificación.

Al participar en el Plan, entiendo y acuerdo que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.

Declaración de Política.

El Reconozco que el otorgamiento de la opción que la Compañía está haciendo de conformidad con el ESPP es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.

Reconozco que la Compañía, con oficinas registradas ubicadas en 4810 Eastgate Mall, San Diego, CA 92121, EE.UU. es únicamente responsable de la administración del ESPP y la participación en el ESPP y la adquisición de acciones

no establece, de forma alguna, una relación de trabajo entre la Compañía y yo, ya que estoy participando en el ESPP de una forma totalmente comercial, y tampoco establece ningún derecho entre el Patrón y yo.

Reconocimiento del Documento del ESPP. Al participar en el ESPP, reconozco que he recibido copias del ESPP, he revisado el ESPP y el Contrato en su totalidad y entiendo y acepto completamente todas las disposiciones contenidas en el ESPP y en el Contrato.

Adicionalmente, al aceptar el Contrato, reconozco que he leído y especifica y expresamente he aprobado los términos y condiciones de la sección 7 del Contrato, en la que lo siguiente está claramente descrito y establecido: (i) la participación en el ESPP no constituye un derecho adquirido; (ii) el ESPP y la participación en el ESPP es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el ESPP es voluntaria; y (iv) la Compañía y cualquier empresa Subsidiaria no son responsables por cualquier disminución en el valor de las acciones.

Finalmente, declaro que no me reservo ninguna acción o derecho para interponer cualquier demanda o reclamación en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de mi participación en el ESPP y, por lo tanto, otorgo el más amplio finiquito al Patrón, la Compañía y cualquier empresa Subsidiaria con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del ESPP.

NETHERLANDS

Securities Law Requirements.

I understand that if I work in a country located in the European Economic Area (“EEA”), my participation in the ESPP is subject to special offering terms and may be further limited as a result of applicable securities laws. Specifically, contributions from all Participants working in the EEA will be limited to less than an aggregate amount of €5 million on an annual basis. It is also possible that certain other equity awards in the EEA will count against this €5 million threshold. I understand that, if Participants in the EEA elect to contribute more than this amount during any year, participation rates will be prorated to ensure that this threshold is not exceeded. If my participation will be prorated, I understand that I will receive a notice from the Company explaining the proration.

NEW ZEALAND

Securities Law Notification.

I understand that I am being offered an opportunity to participate in the ESPP and that, in compliance with New Zealand Securities Law, I am hereby notified that the materials listed below are available for my review where indicated below.

1. The Company’s most recent Annual Report (Form 10-K), Quarterly Report (Form 10-Q), and financial statements are available on the Company’s website (www.servicenow.com) (Company About ServiceNow Investor Relations SEC Filings).
2. The Company’s ESPP, Prospectus, and Enrollment/Change Form are available on the Company’s designated broker website (www.fidelity.com). I understand that I must log-in to my brokerage account to access these materials.

A copy of the above materials will be provided to me free of charge upon request to ServiceNow, Inc., Stock Administration, 3260 Jay Street, Santa Clara, California 95054, U.S.A.

When reading these materials, I understand that all references to purchase right price are listed in U.S. dollars. I understand that I should read the materials carefully before making a decision whether to participate in the ESPP and that I should consult with my personal tax advisor for specific information concerning my personal tax situation with regard to participation in the ESPP.

NORWAY

There are no country-specific provisions.

SINGAPORE

Form of Contributions.

Notwithstanding sections 3 and 4 of the Enrollment/Change Form, due to restrictions on payroll deductions under Singapore law, I acknowledge and agree that I may be required to participate in the ESPP by means other than payroll deductions (e.g., bank wire or check) if the Company, in its discretion, determines that collection of payroll deductions is not permissible or administratively feasible under Singapore law.

In this regard and upon notice by the Company or the Employer, I understand and agree that no payroll deductions will be made from my paychecks and that I will be required to make contributions for the purchase of shares of Common Stock under the ESPP by the means set forth in such notice. I further understand and agree that no shares of Common Stock will be purchased on my behalf under the ESPP if I fail to submit my contributions in the manner required by such notice.

Securities Law Notification.

I understand that the option is being granted to me pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). I further understand that the ESPP has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. I understand and acknowledge that my option to purchase shares of Common Stock is subject to section 257 of the SFA and I will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the shares of Common Stock purchased upon exercise unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation.

I acknowledge that if I am a director, associate director or shadow director of a Singapore Subsidiary, I am subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when I receive an interest (e.g., an option or shares of Common Stock) in the Company or any Subsidiary within two business days of (i) its acquisition or disposal, (ii) any change in previously disclosed interest (e.g., when the shares of Common Stock are sold), or (iii) becoming a director.

SOUTH AFRICA

Tax Consequences.

The following provision supplements section 6 of the Enrollment/Change Form:

By participating in the ESPP, I agree that, immediately upon purchase of shares of Common Stock, I will notify the Employer of the amount of any gain realized. If I fail to advise the Employer of the gain realized at purchase, I may be liable for a fine. I will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Tax Clearance Certificate Requirement.

If I use cash to exercise the option to purchase shares, rather than a cashless exercise method, I must first obtain and

provide to the Employer, or any third party designated by the Employer or the Company, a Tax Clearance Certificate (with respect to Foreign Investments) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service ("SARS"). I must renew this Tax Clearance Certificate every 12 months, or such other period as may be required by the SARS. I must also complete a transfer of funds application form to transfer the funds. If I exercise the option and purchase shares of Common Stock by a cashless exercise whereby no funds are remitted offshore for the purchase, no Tax Clearance Certificate is required.

Exchange Control Information.

To participate in the ESPP, I must comply with exchange control regulations and rulings in South Africa. Because the exchange control regulations are subject to change, I understand that I should consult with my personal legal advisor prior to purchasing shares of Common Stock under the ESPP to ensure compliance with current regulations. I am responsible for ensuring compliance with all exchange control laws in South Africa.

SPAIN

Nature of Grant. This provision supplements section 7 of the Enrollment/Change Form:

In accepting the grant, I consent to participate in the ESPP and acknowledge that I have received a copy of the ESPP.

I understand and agree that, as a condition of the grant, my termination of employment for any reason (including the reasons listed below) will automatically result in the loss of the right to purchase shares of Common Stock that may have been granted to me as of date that I am no longer actively employed, as described in Section 7 of the Agreement.

In particular, I understand and agree that any rights to purchase shares of Common Stock will be forfeited as of the date that I am no longer actively employed and without entitlement to the underlying shares of Common Stock or to any amount of indemnification in the event of a termination of my employment by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. I acknowledge that I have read and specifically accept the conditions referred to in Section 7 of the Enrollment/Change Form.

I understand that the Company has unilaterally, gratuitously and discretionally decided to grant rights to purchase shares of Common Stock under the ESPP to individuals who may be employees of the Company or a Subsidiary throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Subsidiary on an ongoing basis other than as set forth in the Enrollment/Change Form. Consequently, I understand that the right to purchase shares of Common Stock is granted on the assumption and condition that the right to purchase shares of Common Stock and any shares of Common Stock purchased under the ESPP are not part of any employment contract (either with the Company or any Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, I understand that the right to purchase shares of Common Stock would not be granted to me but for the assumptions and conditions referred to herein; thus, I acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the right to purchase shares of Common Stock or such right shall be null and void.

Securities Law Notification.

The grant of the right to purchase shares of Common Stock and the shares of Common Stock issued at purchase are considered a private placement outside the scope of Spanish laws on public offerings and issuances of securities. The ESPP and the Enrollment/Change Form, including this Appendix, have not been nor will they be registered with the

Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Notification.

I must declare the acquisition, ownership and sale of shares of Common Stock to the *Spanish Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be filed in January for shares of Common Stock acquired or sold during (or held as of December 31 of) the prior year; however, if the value of the shares of Common Stock purchased under the ESPP or the amount of the sale proceeds exceeds €1,502,530, the declaration must be filed within one month of the purchase or sale, as applicable.

Foreign Asset/Account Reporting Information.

To the extent I hold assets (e.g., cash or shares of Common Stock held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of asset (e.g., shares of Common Stock, cash, and so on) as of December 31 each year, I am required to report information on such rights and assets on my tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, I am advised to consult with my personal tax and legal advisors to ensure that I am properly complying with my reporting obligations.

Further, I am required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the relevant year or the balances in such accounts as of December 31st of the relevant year exceeds €1,000,000.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Securities Law Notification.

The offer to participate in the ESPP is considered a private offering in Switzerland and is therefore not subject to registration in Switzerland.

TURKEY

Securities Law Notification.

Under Turkish law, I am not permitted to sell any shares of Common Stock acquired under the ESPP in Turkey. The shares of Common Stock are currently traded on the New York Stock Exchange, which is located outside Turkey, under the ticker symbol “NOW” and the shares of Common stock may be sold through this exchange.

Exchange Control Notification.

Pursuant to Decree No. 32 on the Protection of the Value of the Turkish Currency (“Decree 32”) and Communiqué No. 2008-32/34 on Decree No. 32, any activity related to investments in foreign securities (e.g., the sale of shares of Common Stock under the ESPP) must be conducted through a bank or financial intermediary institution licensed by

the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. I am advised to contact a personal legal advisor for further information regarding these requirements.

UNITED KINGDOM

Responsibility for Taxes.

The following provisions supplement section 6 of the Enrollment/Change Form:

I agree that, if I do not pay or the Employer or the Company does not withhold from me the full amount of income tax that I owe at exercise of the option/purchase of shares, or the release or assignment of the option for consideration, or the receipt of any other benefit in connection with the option (the "Due Date") within 90 days after the Due Date, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by me to the Employer, effective 90 days after the Due Date. I agree that the loan will bear interest at Her Majesty's Revenue and Customs ("HMRC") official rate and will be immediately due and repayable by me, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to me by the Employer, by withholding from the cash proceeds from the sale of shares of Common Stock or by demanding cash or a cheque from me. I also authorize the Company to delay the issuance of any shares of Common Stock unless and until the loan is repaid in full.

Notwithstanding the foregoing, if I am an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that I am an executive officer or director and income tax is not collected from or paid by me within 90 days of the Due Date, the amount of any uncollected income tax may constitute a benefit to me on which additional income tax and National Insurance contributions ("NICs") (including Employer NICs, as defined below) may be payable. I acknowledge that the Company or the Employer may recover any such additional income tax and NICs (including Employer NICs, as defined below) at any time thereafter by any of the means referred to in section 6 of the Enrollment/Change Form, although I acknowledge that I ultimately will be responsible for reporting any income tax or NICs (including Employer NICs, as defined below) due on this additional benefit directly to the HMRC under the self-assessment regime.

National Insurance Contributions Acknowledgment.

As a condition of participation in the ESPP and the purchase of shares of Common Stock, I agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the option/purchase of shares and any event giving rise to Tax-Related Items (the "Employer NICs"). Without limitation to the foregoing, I agree to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), and any other required consent or election. I further agree to execute such other joint elections as may be required between me and any successor to the Company and/or the Employer. I further agree that the Company and/or the Employer may collect the Employer NICs from me by any of the means set forth in section 6 of the Enrollment/Change Form.

If I do not enter into a Joint Election prior to purchasing shares or if approval of the Joint Election has been withdrawn by HMRC, the option shall become null and void without any liability to the Company and/or the Employer and I may not purchase shares under the ESPP.

Securities Law Requirements.

I understand that if I work in a country located in the European Economic Area ("EEA"), my participation in the ESPP is subject to special offering terms and may be further limited as a result of applicable securities laws. Specifically, contributions from all Participants working in the EEA will be limited to less than an aggregate amount of €5 million on an annual basis. It is also possible that certain other equity awards in the EEA will count against this €5 million threshold. I understand that, if Participants in the EEA elect to contribute more than this amount during any year,

participation rates will be prorated to ensure that this threshold is not exceeded. If my participation will be prorated, I understand that I will receive a notice from the Company explaining the proration.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act"), you are entitled to receive the following information regarding participation in the ServiceNow, Inc. 2012 Employee Stock Purchase Plan (the "ESPP") in a separate written statement.

This statement contains only the information mentioned in the Stock Option Act, while the other terms and conditions of your grant of stock options to purchase shares of the common stock of ServiceNow, Inc. (the "Company") are described in detail in the ESPP, the Enrollment/Change Form and the applicable country-specific supplement, which have been made available to you.

1. Time of grant of right to purchase stock

Provided always that at the relevant time you are eligible to participate in the ESPP, at the beginning of successive six (6)-month offering periods, the Company will grant you a right to purchase shares of stock in the Company that may be exercised on the last day of each offering period.

2. Terms or conditions for grant of a right to future purchase of stock

The Plan is offered at the discretion of the Company's Board of Directors.

3. Purchase Date

If you are employed by the Company or one of its participating subsidiaries or affiliates on the last day of an offering period, shares of common stock will automatically be purchased for you with your accumulated payroll deductions. If you are not employed by the Company or one of its participating subsidiaries or affiliates on the last day of an offering period, Sections 4 and 5 of the Stock Option Act will determine your rights (if the Stock Option Act applies and the terms of the Stock Option Act are more favorable than the terms of the Plan and the enrollment materials). If shares are purchased for you at the end of an offering period, the number of shares purchased will depend on the purchase price, the amount of your accumulated payroll deductions and the share purchase limits in the Plan. You will be the immediate owner of the common stock purchased with your accumulated payroll deductions and, subject to the limitations in the Plan, you may sell your shares of common stock purchased under the Plan at any time, subject to any Company insider trading restrictions.

4. Purchase Price

The purchase price per share is the lower of 85% of the fair market value of the Company's common stock on the first market day of the offering period or on the date the stock purchase right is exercised, *i.e.*, the last market day of the offering period.

5. Your rights upon termination of employment

The treatment of your stock option upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the ESPP, the Agreement and the applicable country-specific supplement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the ESPP, the Agreement and the applicable country-specific supplement are more favorable to you, then such terms will govern the treatment of your stock option upon termination of employment.

6. Financial aspects of participating in the ESPP

Aside from the payroll deductions which will start after you enroll in the ESPP, the ESPP offering has no immediate financial consequences for you. The value of the purchase rights and the value of the shares purchased for you under the ESPP are not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stocks will always have financial risk. The possibility of profit at the time you sell your shares will not only be dependent on the Company's financial development, but inter alia also on the general development on the stock market. In addition, after you purchase shares, the shares could decrease in value even below the purchase price.

SERVICENOW, INC.
102 S. Sierra Avenue
Solana Beach, CA 92075
U.S.A.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK
ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om deltagelse i ServiceNow, Inc.'s medarbejderaktieordning - 2012 *Employee Stock Purchase Plan* ("ESPP-planen").

Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for din tildeling af aktieoptioner til køb af ordinære aktier i ServiceNow, Inc. ("Selskabet") er nærmere beskrevet i ESPP-planen, Tilmeldings-/Ændringsblanketten (*Enrollment/Change Form*) og det gældende landespecifikke tillæg, som du har modtaget.

1. Tidspunkt for tildeling af retten til at købe aktier

Forudsat at du er berettiget til at deltage i ESPP-planen på det pågældende tidspunkt vil Selskabet ved påbegyndelsen af successive tilbudsperioder på seks (6) måneder tildele dig retten til at købe aktier i Selskabet, som kan udøves på den sidste dag i hver tilbudsperiode.

2. Kriterier og betingelser for tildeling af retten til senere at købe aktier

ESPP-planen tilbydes efter Selskabets bestyrelses eget skøn.

3. Købsdato

Hvis du er ansat i Selskabet eller i et af de deltagende datterselskaber eller en af de deltagende tilknyttede virksomheder på den sidste dag i en tilbudsperiode, vil der automatisk blive købt ordinære aktier til dig for det akkumulerede beløb, der er fratrukket dine nettolønudbetalinger. Hvis du ikke er ansat i Selskabet eller i et af de deltagende datterselskaber eller en af de deltagende tilknyttede virksomheder på den sidste dag i en tilbudsperiode, vil Aktieoptionslovens §§ 4 og 5 være gældende for dine rettigheder (hvis Aktieoptionsloven finder anvendelse og lovens bestemmelser er mere fordelagtige for dig end vilkårene i ESPP-planen og materialet vedrørende din deltagelse i planen). Hvis der købes aktier til dig ved udløbet af en tilbudsperiode, vil antallet af købte aktier afhænge af købskursen, størrelsen på det akkumulerede beløb, der er fratrukket dine nettolønudbetalinger, samt af de begrænsninger for aktiekøb, der er fastsat i ESPP-planen. Du vil blive indehaver af de ordinære aktier, der er købt for det akkumulerede beløb, der er fratrukket dine nettolønudbetalinger, og du kan, med de begrænsninger, der følger af ESPP-planen, til enhver tid sælge de ordinære aktier, som du har købt i henhold til ESPP-planen, med forbehold for eventuelle begrænsninger i Selskabets regler om insiderhandel.

4. Købskurs

Købskursen pr. aktie er den værdi, der er lavest af 85 % af kursværdien af Selskabets ordinære aktier på enten den første handelsdag i tilbudsperioden eller på den dato, hvor retten til at købe aktier udøves, dvs. den sidste handelsdag i tilbudsperioden.

5. Din retsstilling i forbindelse med fratræden

Dine aktieoptioner vil i tilfælde af din fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i ESPP-planen, Aftalen og det gældende landespecifikke tillæg er mere fordelagtige for dig end Aktieoptionslovens §§ 4 og 5. Hvis bestemmelserne i ESPP-planen, Aftalen og det gældende landespecifikke tillæg er mere fordelagtige for dig, vil disse bestemmelser være gældende for, hvordan dine aktieoptioner behandles i forbindelse med din fratræden.

6. Økonomiske aspekter ved at deltage i ESPP-planen

Bortset fra de fradrag i dine nettolønudbetalinger, som påbegynder, når du er blevet tilmeldt ESPP-planen, har deltagelsen i ESPP-planen ingen umiddelbare økonomiske konsekvenser for dig. Værdien af købsretten og af de aktier, der købes til dig i henhold til ESPP-planen, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for at opnå en gevinst, når du sælger dine aktier, afhænger ikke alene af Selskabets økonomiske udvikling, men også af den generelle udvikling på aktiemarkedet. Derudover kan aktiemarkedet falde til en værdi, der måske endda ligger under købskursen.

SERVICENOW, INC.
102 S. Sierra Avenue
Solana Beach, CA 92075
U.S.A.

SERVICENOW, INC. 2012 EMPLOYEE STOCK PURCHASE PLAN

Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "*Employee*"), who is employed by one of the employing companies listed in the attached schedule (the "*Employer*") and who is eligible to participate in the Employee Stock Purchase Plan pursuant to the 2012 Employee Stock Purchase Plan (the "*ESPP*"), and
- B. ServiceNow, Inc., 102 S. Sierra Avenue, Solana Beach, CA 92075, U.S.A. (the "*Company*"), which may grant options under the ESPP and is entering into this Election on behalf of the Employer.

1. Introduction

- 1.1 This Election relates to the options granted to the Employee under the ESPP on or after June 19, 2012, up to the termination date of the ESPP.
- 1.2 In this Election the following words and phrases have the following meanings:
 - a. "**Chargeable Event**" means, in relation to the ESPP:
 - i. the acquisition of securities pursuant to the options (within section 477(3)(a) of ITEPA);
 - ii. the assignment (if applicable) or release of the options in return for consideration (within section 477(3)(b) of ITEPA);
 - iii. the receipt of a benefit in connection with the options, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);
 - iv. post-acquisition charges relating to the shares acquired pursuant to the ESPP (within section 427 of ITEPA); and/or
 - v. post-acquisition charges relating to the shares acquired pursuant to the ESPP (within section 439 of ITEPA).
 - b. "ITEPA" means the Income Tax (Earnings and Pensions) Act 2003.
 - c. "SSCBA" means the Social Security Contributions and Benefits Act 1992.
- 1.3 This Election relates to the employer's secondary Class 1 National Insurance Contributions (the "*Employer's Liability*") which may arise on the occurrence of a Chargeable Event in respect of the ESPP pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.
- 1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

3. Payment of the Employer's Liability

- 3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:
- i. by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
 - ii. directly from the Employee by payment in cash or cleared funds; and/or
 - iii. by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive pursuant to the options, the proceeds of which must be delivered to the Employer in sufficient time for payment to be made to HMRC by the due date; and/or
 - iv. where the proceeds of the gain are to be made through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive pursuant to the options, such amount to be paid in sufficient time to enable the Company to make payment to HMRC by the due date; and/or
 - v. through any other method as set forth in the applicable Enrollment/Change Form entered into between the Employee and the Company.
- 3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the ESPP until full payment of the Employer's Liability is received.
- 3.3 The Company agrees to remit the Employer's Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days if payments are made electronically).

4. Duration of Election

- 4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.
- 4.2 This Election will continue in effect until the earliest of the following:
- i. the Employee and the Company agree in writing that it should cease to have effect;
 - ii. on the date the Company serves written notice on the Employee terminating its effect;
 - iii. on the date HMRC withdraws approval of this Election; or
 - iv. after due payment of the Employer's Liability in respect of the ESPP to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.
-

Acceptance by the Employee

The Employee acknowledges that by clicking on the “ACCEPT” box where indicated on the grant acceptance screen, the Employee agrees to be bound by the terms of this Election as stated above.

Acceptance by the Company

The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signature for and on
behalf of the Company _____

Name Ethan Christensen

Position Vice President, Legal

Date _____

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

Service-now.com UK Limited

Registered Office:	Standard House, Weyside Park, Catteshall Lane, Godalming, Surrey, Gu7 1XE
Company Registration Number:	6299383
Corporation Tax District:	201 South London
Corporation Tax Reference:	6359720602
PAYE Reference:	581/LA08194

SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Incorporation or Organization
ServiceNow Australia Pty Ltd	Australia
ServiceNow Austria	Austria
ServiceNow Belgium BVBA	Belgium
SN Europe CV	Bermuda
ServiceNow Brasil Gerenciamento De Servicos Ltda.	Brazil
ServiceNow Canada Inc.	Canada
ServiceNow Delaware LLC	Delaware
ServiceNow Denmark ApS	Denmark
ServiceNow Finland Oy	Finland
ServiceNow France SAS	France
Service-now.com GmbH	Germany
ServiceNow Hong Kong Limited	Hong Kong
ServiceNow Software Development India Private Limited	India
ServiceNow Service Management Limited	Ireland
ServiceNow A.B. Israel Ltd	Israel
Neebula Systems Ltd	Israel
ServiceNow Italy	Italy
ServiceNow Japan KK	Japan
ServiceNow Operations Mexico	Mexico
ServiceNow Nederland BV	Netherlands
ServiceNow Norway AS	Norway
ServiceNow Pte. Ltd.	Singapore
ServiceNow South Africa (Pty) Ltd.	South Africa
ServiceNow Spain S.L.	Spain
ServiceNow Sweden AB	Sweden
ServiceNow Switzerland GmbH	Switzerland
ServiceNow Turkey Bilisim Sanayive Ticaret Ltd	Turkey
Service-now.com UK Ltd	United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-182445, 333-188462 and 333-194210) of ServiceNow, Inc. of our report dated February 27, 2015 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 27, 2015

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Frank Sloodman, certify that:

1. I have reviewed this annual report on Form 10-K of ServiceNow, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ Frank Sloodman

Frank Sloodman
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael P. Scarpelli, certify that:

1. I have reviewed this annual report on Form 10-K of ServiceNow, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ Michael P. Scarpelli

Michael P. Scarpelli
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank Sloodman, Chief Executive Officer of ServiceNow, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Annual Report on Form 10-K of the Company for the period ended December 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented therein.

Date: February 27, 2015

/s/ Frank Sloodman

Frank Sloodman
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael P. Scarpelli, Chief Financial Officer of ServiceNow, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Annual Report on Form 10-K of the Company for the period ended December 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented therein.

Date: February 27, 2015

/s/ Michael P. Scarpelli

Michael P. Scarpelli
Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to ServiceNow, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

