

# Q2 HOLDINGS, INC.

## FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 05/15/14

Address	13785 RESEARCH BOULEVARD SUITE 150 Austin, TX 78750
Telephone	512-275-0072
CIK	0001410384
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-8**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**Q2 HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-2706637**  
(I.R.S. Employer  
Identification No.)

**13785 Research Blvd., Suite 150**  
**Austin, Texas**  
(Address of Principal Executive Offices)

**78750**  
(Zip Code)

**Q2 Holdings, Inc. 2007 Stock Plan, as amended**  
**Q2 Holdings, Inc. 2014 Employee Stock Purchase Plan**  
**Q2 Holdings, Inc. 2014 Equity Incentive Plan**  
(Full title of the plan)

**Matthew P. Flake**  
**President and Chief Executive Officer**  
**13785 Research Blvd., Suite 150**  
**Austin, Texas 78750**  
(Name and address of agent for service)

**(512) 275-0072**  
(Telephone number, including area code, of agent for service)

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/> (do not check if a small reporting company)	Smaller reporting company	<input type="checkbox"/>

## CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, \$0.0001 par value per share:				
—Outstanding under the 2007 Stock Plan	6,191,062 <sup>(2)</sup>	\$4.61 <sup>(5)</sup>	\$28,540,795.82	\$3,676.06
—To be issued under the 2014 Employee Stock Purchase Plan	800,000 <sup>(3)</sup>	\$8.76 <sup>(6)</sup>	\$7,008,000.00	\$902.63
—To be issued under the 2014 Equity Incentive Plan	1,969,279 <sup>(4)</sup>	\$10.31 <sup>(7)</sup>	\$20,303,266.49	\$2,615.06
Total	8,960,341	N/A	\$55,852,062.31	\$7,193.75

- (1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended (the “1933 Act”), this Registration Statement shall also cover any additional shares of Q2 Holdings, Inc. (the “Registrant”) common stock that become issuable under the 2007 Stock Plan, as amended (the “2007 Plan”), the 2014 Equity Incentive Plan (the “2014 Plan”) and the 2014 Employee Stock Purchase Plan (the “ESPP”) by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the Registrant’s receipt of consideration that increases the number of the Registrant’s outstanding shares of common stock.
- (2) Represents shares of common stock subject to outstanding option awards under the 2007 Plan as of May 12, 2014. The 2007 Plan has been terminated and no further stock or option grants will be made pursuant to the 2007 Plan. Any shares of common stock that are subject to outstanding awards under the 2007 Plan which are forfeited or lapse for any reason prior to exercise or settlement and would otherwise have returned to the share reserve under the 2007 Plan (up to a total of 5,878,458 of such shares), instead will be available for issuance under the 2014 Plan. See footnote 4 below.
- (3) Represents 800,000 shares reserved for issuance pursuant to future awards under the ESPP. The ESPP also provides that an additional number of shares will automatically be added annually to the shares authorized for issuance under the ESPP on January 1, from 2015 through and including 2024. The number of shares added each year will be equal to the lesser of (a) one percent (1%) of the number of shares of common stock of the Registrant issued and outstanding on the immediately preceding December 31, (b) 500,000 shares, or (c) an amount determined by the Registrant’s board of directors.
- (4) Represents 1,969,279 shares reserved for issuance pursuant to future awards under the 2014 Plan, which is comprised of 1,850,000 shares originally reserved for issuance under the 2014 Plan and 119,279 shares previously reserved under the 2007 Plan that are now available for issuance under the 2014 Plan. To the extent that any shares subject to outstanding awards under the 2007 Plan are forfeited or lapse for any reason prior to exercise or settlement and would otherwise have returned to the share reserve under the 2007 Plan (up to a total of 5,878,458 of such shares) instead will be available for issuance under the 2014 Plan. See footnote 2 above. The 2014 Plan also provides that an additional number of shares will automatically be added annually to the shares authorized for issuance under the 2014 Plan on January 1, from 2015 through and including 2024. The number of shares added each year will be equal to the lesser of (a) four and a half percent (4.5%) of the number of shares of common stock of the Registrant issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the Registrant’s board of directors.
- (5) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) under the 1933 Act, and based upon the weighted average exercise price per share for outstanding stock option awards under the 2007 Plan.
- (6) Estimated in accordance with paragraphs (c) and (h) of Rule 457 under the 1933 Act solely for the purpose of calculating the registration fee on the basis of \$8.76 per share (calculated by taking 85% of \$10.31, which represents the average of the high and low price per share of the Registrant’s common stock on May 12, 2014 as reported on the New York Stock Exchange). Pursuant to the ESPP, the purchase price of the shares of common stock reserved for issuance thereunder will be equal to 85% of the lower of the fair market value on (i) the first trading day of the offering period and (ii) the purchase date.
- (7) Estimated in accordance with paragraphs (c) and (h) of Rule 457 under the 1933 Act solely for the purpose of calculating the registration fee on the basis of \$10.31, which represents the average of the high and low price per share of the Registrant’s common stock on May 12, 2014 as reported on the New York Stock Exchange.

## **PART I**

### **Information Required in the Section 10(a) Prospectus**

The Registrant shall send or give to each participant in the 2007 Plan, the 2014 Plan, and the ESPP the document(s) containing the information specified in Part I of Form S-8 as specified by Rule 428(b)(1) of the 1933 Act. In accordance with the rules and regulations of the Securities and Exchange Commission (the "Commission"), such documents are not being filed with or included in this Registration Statement. These documents, and the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the 1933 Act.

## **PART II**

### **Information Required in the Registration Statement**

#### **Item 3. Incorporation of documents by reference**

The Registrant hereby incorporates by reference into this Registration Statement the following documents previously filed with the Commission:

- a. The Registrant's prospectus filed with the Commission on March 20, 2014 pursuant to Rule 424(b) under the 1933 Act relating to the Registrant's Registration Statement on Form S-1, as amended (Registration No. 333-193911); and
- b. The description of the Registrant's common stock, par value \$0.0001, contained in the Registrant's Registration Statement on Form 8-A (File No. 001-36350) filed with the Commission on March 12, 2014 pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "1934 Act"), including any amendment or report filed for the purpose of updating such description.

All reports and definitive proxy or information statements filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act after the date of this Registration Statement (except for any portions of the Registrant's Current Reports on Form 8-K furnished pursuant to Item 2.02 or Item 7.01 thereof and any corresponding exhibits thereto not filed with the Commission) and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which de-registers all securities then remaining unsold shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing of such documents.

#### **Item 4. Description of securities**

Not applicable.

#### **Item 5. Interests of named experts and counsel**

Not applicable.

#### **Item 6. Indemnification of directors and officers**

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents. As permitted by Delaware law, the Registrant's amended and restated certificate of incorporation provides that, to the fullest extent permitted by Delaware law, no director will be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director. Pursuant to Delaware law such protection would be not available for liability:

- for any breach of a duty of loyalty to the Registrant or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- for any transaction from which the director derived an improper benefit; or

- for an act or omission for which the liability of a director is expressly provided by an applicable statute, including unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law.

The Registrant's amended and restated certificate of incorporation also provides that if Delaware law is amended after the approval by the Registrant's stockholders of the amended and restated certificate of incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the Registrant's directors will be eliminated or limited to the fullest extent permitted by Delaware law.

The Registrant's amended and restated certificate of incorporation and amended and restated bylaws further provide that the Registrant must indemnify its directors and officers to the fullest extent permitted by Delaware law. The Registrant's amended and restated bylaws also authorize the Registrant to indemnify any of its employees or agents and authorize the Registrant to secure insurance on behalf of any officer, director, employee or agent for any liability arising out of his or her action in that capacity, whether or not Delaware law would otherwise permit indemnification.

In addition, the Registrant's amended and restated bylaws provide that the Registrant is required to advance expenses to its directors and officers as incurred in connection with legal proceedings against them for which they may be indemnified and that the rights conferred in the amended and restated bylaws are not exclusive.

Additionally, the Registrant has entered into indemnity agreements with each of its directors and executive officers. These agreements, among other things, require the Registrant to indemnify each director and officer to the fullest extent permitted by Delaware law and the Registrant's amended and restated certificate of incorporation and bylaws for expenses such as, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action by or in the Registrant's right, arising out of the person's services as the Registrant's director or executive officer or as the director or executive officer of any subsidiary of the Registrant or any other company or enterprise to which the person provides services at the Registrant's request. The Registrant also maintains directors' and officers' liability insurance.

Reference is made to the underwriting agreement filed as Exhibit 1.1 to Registrant's Registration Statement on Form S-1 (Registration No. 333-193911), as amended, pursuant to which the underwriters have agreed to indemnify the Registrant's officers and directors against certain liabilities under the 1933 Act.

#### **Item 7. Exemption from registration claimed**

Not applicable.

## Item 8. Exhibits

Number	Exhibit
4.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 of the Registrant's Form S-1 Registration Statement (Registration No. 333-193911), declared effective by the Securities and Exchange Commission on March 19, 2014).
4.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 of the Registrant's Form S-1 Registration Statement (Registration No. 333-193911), declared effective by the Securities and Exchange Commission on March 19, 2014).
4.3	2007 Stock Plan, as amended (incorporated by reference to Exhibit 10.2.1 of the Registrant's Form S-1 Registration Statement (Registration No. 333-193911), declared effective by the Securities and Exchange Commission on March 19, 2014).
4.4	2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 of the Registrant's Form S-1 Registration Statement (Registration No. 333-193911), declared effective by the Securities and Exchange Commission on March 19, 2014).
4.5	2014 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.10 of the Registrant's Form S-1 Registration Statement (Registration No. 333-193911), declared effective by the Securities and Exchange Commission on March 19, 2014).
5.1	Opinion and consent of DLA Piper LLP (US).
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2	Consent of DLA Piper LLP (US) (included in Exhibit 5.1).
24.1	Power of Attorney (included on the signature page of this Registration Statement).

## Item 9. Undertakings

### A. The Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
  - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 Act, as amended (the "1933 Act");
  - (ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and
  - (iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.Provided, however, that clauses (1)(i) and (1)(ii) above shall not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the 1934 Act that are incorporated by reference into this Registration Statement;



(2) That for the purpose of determining any liability under the 1933 Act each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The Registrant hereby undertakes that, for purposes of determining any liability under the 1933 Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the 1934 Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the 1934 Act) that is incorporated by reference into this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the 1933 Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the 1933 Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.



## **SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas on this 15 day of May, 2014.

### **Q2 HOLDINGS, INC.**

By: /s/ Matthew P. Flake

Matthew P. Flake  
President and Chief Executive Officer



## SIGNATURES AND POWER OF ATTORNEY

### KNOW ALL PERSONS BY THESE PRESENTS:

That the undersigned officers and directors of Q2 Holdings, Inc., a Delaware corporation, do hereby constitute and appoint Matthew P. Flake and Jennifer N. Harris, and each of them, the lawful attorneys-in-fact and agents with full power of substitution, each with power to act alone, and authority to do any and all acts and things and to execute any and all instruments which said attorneys and agents, and any one of them, determine may be necessary or advisable or required to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules or regulations or requirements of the Securities and Exchange Commission in connection with this Registration Statement. Without limiting the generality of the foregoing power and authority, the powers granted include the power and authority to sign the names of the undersigned officers and directors in the capacities indicated below to this Registration Statement, to any and all amendments, both pre-effective and post-effective, and supplements to this Registration Statement, and to any and all instruments or documents filed as part of or in conjunction with this Registration Statement or amendments or supplements thereof, and each of the undersigned hereby ratifies and confirms that all said attorneys and agents, or any one of them, shall do or cause to be done by virtue hereof. This Power of Attorney may be signed in several counterparts.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities indicated on May 15, 2014.

Signature	Title	Date
<u>/s/ Matthew P. Flake</u> Matthew P. Flake	President, Chief Executive Officer and Director (Principal Executive Officer)	May 15 , 2014
<u>/s/ Jennifer N. Harris</u> Jennifer N. Harris	Chief Financial Officer (Principal Financial and Accounting Officer)	May 15, 2014
<u>/s/ R. H. "Hank" Seale, III</u> R. H. "Hank" Seale, III	Executive Chairman of the Board of Directors	May 15, 2014
<u>/s/ Michael M. Brown</u> Michael M. Brown	Director	May 15, 2014
<u>/s/ Jeffrey T. Diehl</u> Jeffrey T. Diehl	Director	May 15, 2014
<u>/s/ Charles T. Doyle</u> Charles T. Doyle	Director	May 15, 2014
<u>/s/ Michael J. Maples, Sr.</u> Michael J. Maples, Sr.	Director	May 15, 2014
<u>/s/ James R. Offerdahl</u> James R. Offerdahl	Director	May 15, 2014
<u>/s/ Carl James Schaper</u> Carl James Schaper	Director	May 15, 2014



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**DLA Piper LLP (US)**

401 Congress Avenue, Suite 2500  
Austin, Texas 78701  
www.dlapiper.com  
T 512.457.7000  
F 512.457.7001

May 15, 2014

Q2 Holdings, Inc.  
13785 Research Blvd, Suite 150  
Austin, Texas 78750

Ladies and Gentlemen:

As legal counsel for Q2 Holdings, Inc., a Delaware corporation (the “**Company**”), we are rendering this opinion in connection with the registration on Form S-8 (the “**Registration Statement**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), relating to the issuance by the Company under the Company’s 2007 Stock Plan, as amended, the 2014 Equity Incentive Plan and the 2014 Employee Stock Purchase Plan (collectively, the “**Plans**”), of up to 8,960,341 shares (the “**Shares**”) of the Company’s common stock, par value \$0.0001 per share (“**Common Stock**”).

We have examined such instruments, documents and records which we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies. We express no opinion concerning any law other than the law of the State of Texas, the corporation laws of the State of Delaware and the federal law of the United States. As to matters of Delaware corporation law, we have based our opinion solely upon our examination of such laws and the rules and regulations of the authorities administering such laws, all as reported in standard, unofficial compilations. We have not obtained opinions of counsel licensed to practice in jurisdictions other than the State of Texas.

Based on such examination, we are of the opinion that the Shares which may be issued under the Plans are duly authorized shares of the Company’s Common Stock, and, when issued against receipt of the consideration therefore in accordance with the provisions of the respective Plans, will be validly issued, fully paid and nonassessable. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement referred to above and the use of our name wherever it appears in such Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, the rules and regulations of the Securities and Exchange Commission promulgated thereunder or Item 509 of Regulation S-K.

This opinion letter is given to you solely for use in connection with the issuance of the Shares in accordance with the Registration Statement and is not to be relied on for any other purpose. Our opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the Shares or the Registration Statement.

Very truly yours,

/s/ DLA Piper LLP (US)

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 2007 Stock Plan, 2014 Employee Stock Purchase Plan and 2014 Equity Incentive Plan of Q2 Holdings, Inc. of our report dated February 21, 2014 except as to Note 17, which is as of March 6, 2014, with respect to the consolidated financial statements of Q2 Holdings, Inc. included in the Registration Statement (Form S-1 333-193911) and related prospectus of Q2 Holdings, Inc. for the year ended December 31, 2013, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Austin, Texas

May 13, 2014