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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File No. 001-35367

JIVE SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**42-1515522** **(I.R.S. Employer Identification No.)**
325 Lytton Avenue, Suite 200, Palo Alto, California **(Address of principal executive offices)**	**94301** **(Zip Code)**

Registrant's telephone number, including area code: 650-319-1920

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

The number of shares of the registrant's common stock outstanding as of October 31, 2014 was 71,593,593.

Table of Contents

JIVE SOFTWARE, INC.
INDEX TO FORM 10-Q

Table of Contents

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

JIVE SOFTWARE, INC.
Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 27,184	$ 38,415
Short-term marketable securities	70,992	69,809
Accounts receivable, net of allowances of $611 and $740	50,009	58,829
Prepaid expenses and other current assets	15,210	9,425
Total current assets	163,395	176,478
Marketable securities, noncurrent	30,966	33,443
Property and equipment, net of accumulated depreciation of $27,417 and $20,334	13,696	21,379
Goodwill	29,753	29,753
Intangible assets, net of accumulated amortization of $16,182 and $12,528	10,659	14,310
Other assets	9,504	572
Total assets	$ 257,973	$ 275,935
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 6,768	$ 6,412
Accrued payroll and related liabilities	6,592	7,469
Other accrued liabilities	9,266	8,478
Deferred revenue, current	114,777	112,432
Term debt, current	2,400	2,400
Total current liabilities	139,803	137,191
Deferred revenue, less current portion	32,390	34,905
Term debt, less current portion	4,200	6,000
Other long-term liabilities	1,162	1,605
Total liabilities	177,555	179,701
Commitments and contingencies		
Stockholders' Equity:		
Common stock, $0.0001 par value. Authorized 290,000 shares; issued —78,002 shares at September 30, 2014 and 76,174 at December 31, 2013; outstanding—71,577 at September 30, 2014 and 69,653 at December 31, 2013	7	7
Less treasury stock at cost	(3,352)	(3,352)
Additional paid-in capital	355,190	326,834
Accumulated deficit	(271,594)	(227,531)
Accumulated other comprehensive income	167	276
Total stockholders' equity	80,418	96,234
Total liabilities and stockholders' equity	$ 257,973	$ 275,935

See accompanying Condensed Notes to Consolidated Financial Statements.

Table of Contents

JIVE SOFTWARE, INC.
Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30, 2014	For the Three Months Ended September 30, 2013	For the Nine Months Ended September 30, 2014	For the Nine Months Ended September 30, 2013
Revenues:				
Product	$ 42,162	$ 33,456	$ 118,576	$ 95,678
Professional services	4,438	3,903	12,428	10,775
Total revenues	46,600	37,359	131,004	106,453
Cost of revenues:				
Product	11,175	9,034	31,931	27,786
Professional services	6,060	4,851	17,399	12,914
Total cost of revenues	17,235	13,885	49,330	40,700
Gross profit	29,365	23,474	81,674	65,753
Operating expenses:				
Research and development	13,608	14,957	39,496	41,383
Sales and marketing	21,696	20,804	66,855	60,148
General and administrative	6,161	6,202	18,994	18,149
Total operating expenses	41,465	41,963	125,345	119,680
Loss from operations	(12,100)	(18,489)	(43,671)	(53,927)
Other income (expense), net:				
Interest income	50	53	151	184
Interest expense	(55)	(54)	(202)	(234)
Other, net	160	(186)	9	(295)
Total other income (expense), net	155	(187)	(42)	(345)
Loss before provision for (benefit from) income taxes	(11,945)	(18,676)	(43,713)	(54,272)
Provision for (benefit from) income taxes	164	29	350	(1,186)
Net loss	$ (12,109)	$ (18,705)	$ (44,063)	$ (53,086)
Basic and diluted net loss per share	$ (0.17)	$ (0.27)	$ (0.63)	$ (0.79)
Shares used in basic and diluted per share calculations	71,026	68,167	70,202	66,913

See accompanying Condensed Notes to Consolidated Financial Statements.

JIVE SOFTWARE, INC.
Consolidated Statements of Comprehensive Loss
(In thousands)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2014	2013	2014	2013
Net loss	$ (12,109)	$ (18,705)	$ (44,063)	$ (53,086)
Other comprehensive income (loss):				
Foreign currency translation	(179)	98	(94)	201
Cumulative unrealized gain (loss) on marketable securities	(17)	98	(15)	10
Other comprehensive income (loss)	(196)	196	(109)	211
Comprehensive loss	$ (12,305)	$ (18,509)	$ (44,172)	$ (52,875)

See accompanying Condensed Notes to Consolidated Financial Statements.

JIVE SOFTWARE, INC.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Cash flows from operating activities:		
Net loss	$(44,063)	$(53,086)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	11,650	11,802
Stock-based compensation	26,820	24,508
Change in deferred taxes	96	(1,351)
(Increase) decrease, net of acquisitions, in:		
Accounts receivable, net	8,820	14,163
Prepaid expenses and other assets	(5,918)	(2,716)
Increase (decrease), net of acquisitions, in:		
Accounts payable	893	(333)
Accrued payroll and related liabilities	(899)	(1,979)
Other accrued liabilities	1,128	(626)
Deferred revenue	(170)	10,697
Other long-term liabilities	37	196
Net cash provided by (used in) operating activities	(1,606)	1,275
Cash flows from investing activities:		
Payments for purchase of property and equipment	(7,891)	(8,789)
Purchases of marketable securities	(80,036)	(85,685)
Sales of marketable securities	18,672	29,533
Maturities of marketable securities	61,774	64,355
Acquisitions, net of cash acquired	—	(11,047)
Net cash used in investing activities	(7,481)	(11,633)
Cash flows from financing activities:		
Proceeds from exercise of stock options	1,747	6,591
Taxes paid related to net share settlement of equity awards	(1,571)	(754)
Repayments of term loans	(1,800)	(1,800)
Earnout payment for prior acquisition	(576)	—
Net cash provided by (used in) financing activities	(2,200)	4,037
Net decrease in cash and cash equivalents	(11,287)	(6,321)
Effect of exchange rate changes	56	(28)
Cash and cash equivalents, beginning of period	38,415	48,955
Cash and cash equivalents, end of period	$ 27,184	$ 42,606

See accompanying Condensed Notes to Consolidated Financial Statements.

JIVE SOFTWARE, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Nature of Business

We provide an enterprise collaboration platform that improves business results by enabling a more productive and effective workforce through enhanced communications and collaboration both inside and outside the enterprise. Organizations deploy our platform to improve employee productivity, enhance revenue opportunities, lower operational costs, increase customer retention and improve strategic decision making. Our platform is offered primarily on a subscription basis, deployable in a private or public cloud and used for internal or external communities. We generate revenues from platform subscription license fees as well as from professional service fees for strategic consulting, configuration, implementation and training.

Note 2. Basis of Presentation

The consolidated financial statements include the accounts of Jive Software, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements and condensed footnotes have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States ("GAAP") for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included. The results of operations for the three and nine-month periods ended September 30, 2014 are not necessarily indicative of the results to be expected for the full year. For further information, refer to the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the Securities and Exchange Commission (the "SEC") on March 3, 2014.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities in the financial statements and the accompanying notes. Significant estimates include the estimates relating to:

- revenue recognition;
- the useful lives of fixed assets;
- stock-based compensation;
- contingent liabilities;
- assumptions used in testing for impairment of goodwill and other long-lived assets, including the incurred software development costs; and
- the recoverability of deferred income tax assets and liabilities.

Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.

Note 3. Stock-Based Compensation

Stock Plan and Option Activity

Certain information regarding stock option activity for the nine-month period ended September 30, 2014 and stock options outstanding as of September 30, 2014 was as follows:

	Shares Available for Grant	Outstanding Stock Options	Weighted average exercise price	Weighted average remaining life (in years)	Aggregate intrinsic value (in thousands)
Balances, December 31, 2013	2,030,319	9,480,138	$ 5.54		
Additional shares reserved	2,720,200				
Stock options granted	(1,014,500)	1,014,500	7.87		
Restricted stock units ("RSUs") granted	(2,491,763)	—	—		
Performance stock units ("PSUs") granted	(430,000)	—	—		
Forfeited – Stock options	664,716	(664,716)	13.40		
Forfeited – Restricted stock units	1,292,688	—	—		
Vested RSUs adjusted for taxes	192,737				
Exercised	—	(796,498)	2.16		
Balances, September 30, 2014	2,964,397	9,033,424	$ 5.52	5.75	$ 23,239
Exercisable at September 30, 2014		7,204,879	$ 4.22	5.05	$ 23,150
Vested and expected to vest		8,910,233	$ 5.45	5.71	$ 23,238

Restricted Stock Activity

Restricted stock results from the exercise of unvested restricted stock purchases ("RSPs") and non-qualified stock options ("NSOs") with reverse vesting provisions, and the grant of restricted stock awards ("RSAs"), PSUs and RSUs. The shares of restricted stock vest over the period specified in the related RSP, NSO, RSA, PSU and RSU agreements. Restricted stock activity was as follows:

	Number of shares	Weighted average grant date fair value
Balances, December 31, 2013	4,796,112	$ 15.24
Granted RSUs	2,491,763	8.34
Granted PSUs	430,000	8.13
Vested	(1,320,167)	14.42
Forfeited	(1,292,688)	14.12
Balances, September 30, 2014	5,105,020	11.74

All shares to be issued upon the exercise of stock options and the vesting of RSUs and PSUs will come from newly issued shares.

Stock-Based Compensation

Our stock-based compensation expense was included in our Consolidated Statements of Operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cost of revenues	$1,014	$ 991	$ 3,125	$ 2,289
Research and development	2,723	4,263	8,695	9,890
Sales and marketing	2,526	2,910	9,153	7,539
General and administrative	1,932	1,955	5,847	4,790
	$8,195	$10,119	$26,820	$24,508
Stock-based compensation capitalized related to capitalized software development costs	$ 211	$ —	$ 1,370	$ —

As of September 30, 2014, unrecognized stock-based compensation related to all stock-based awards was $57.4 million, which will be recognized over the weighted average remaining vesting period of 2.2 years.

Note 4. Net Loss Per Share

Since we were in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share for all periods.

The following table sets forth the computation of historical basic and diluted net loss per share (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Numerator:				
Net loss	$(12,109)	$(18,705)	$(44,063)	$(53,086)
Denominator:				
Weighted-average common shares outstanding	71,426	69,020	70,752	67,452
Less: Weighted-average unvested common shares subject to repurchase or forfeiture	(400)	(853)	(550)	(539)
Weighted-average shares used to compute net loss per share, basic and diluted	71,026	68,167	70,202	66,913
Net loss per share, basic and diluted	$ (0.17)	$ (0.27)	$ (0.63)	$ (0.79)

Potentially dilutive securities that are not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	As of September 30,	
	2014	2013
Shares subject to outstanding common stock options	9,033,424	10,169,823
Unvested restricted common stock	5,105,020	4,045,063
Common stock subject to repurchase	396,368	718,616
	14,534,812	14,933,502

Note 5. Goodwill and Other Intangible Assets

Goodwill

The roll-forward of our activity related to goodwill was as follows (in thousands):

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
Balance, beginning of period	$ 29,753	$ 23,435
Acquisition of Clara Ehf.	—	3,161
Acquisition of StreamOnce, Inc.	—	3,157
Balance, end of period	$ 29,753	$ 29,753

Other Intangible Assets

The following table presents our intangible assets and their related useful lives (dollars in thousands):

	Useful Life	September 30, 2014	December 31, 2013
Acquired technology	5-7 years	$ 20,441	$ 20,441
Accumulated amortization		(11,078)	(8,167)
		9,363	12,274
Perpetual software licenses	2 years	2,430	2,430
Accumulated amortization		(2,430)	(2,430)
		—	—
Covenant not to compete	1-4 years	2,028	2,028
Accumulated amortization		(1,524)	(1,172)
		504	856
Other	2-7 years	1,939	1,939
Accumulated amortization		(1,147)	(759)
		792	1,180
Total intangible assets, net		$ 10,659	$ 14,310

Amortization expense related to intangible assets was as follows (in thousands):

Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
$1,210	$1,228	$3,651	$3,764

Expected future amortization expense as of September 30, 2014 is as follows (in thousands):

Remainder of 2014	$ 1,211
2015	4,622
2016	2,732
2017	1,715
2018	379
Thereafter	—
	$10,659

Table of Contents

Note 6. Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities consisted of the following (in thousands):

September 30, 2014

Description	Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash	$ 27,010	$ —	$ —	$ 27,010
Cash equivalents:				
Money market mutual funds	174	—	—	174
Total cash equivalents	174	—	—	174
Total cash and cash equivalents	27,184	—	—	27,184
Short-term marketable securities:				
Commercial paper	2,497	—	—	2,497
Corporate notes and bonds	46,305	—	(18)	46,287
U.S. agency obligations	22,200	8	—	22,208
Total short-term marketable securities	71,002	8	(18)	70,992
Marketable securities, noncurrent:				
Corporate notes and bonds	10,825	—	(20)	10,805
Government obligations	1,995	1	—	1,996
U.S. agency obligations	18,169	—	(4)	18,165
Total marketable securities, noncurrent	30,989	1	(24)	30,966
Cash, cash equivalents, short-term marketable securities and marketable securities, noncurrent	$129,175	$ 9	$ (42)	$129,142

December 31, 2013

Description	Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash	$ 31,704	$ —	$ —	$ 31,704
Cash equivalents:				
Money market mutual funds	6,711	—	—	6,711
Total cash equivalents	6,711	—	—	6,711
Total cash and cash equivalents	38,415	—	—	38,415
Short-term marketable securities:				
Commercial paper	5,497	—	—	5,497
Corporate notes and bonds	38,645	6	—	38,651
Government obligations	2,701	—	—	2,701
U.S. agency obligations	22,963	—	(3)	22,960
Total short-term marketable securities	69,806	6	(3)	69,809
Marketable securities, noncurrent:				
Corporate notes and bonds	14,302	—	(29)	14,273
U.S. agency obligations	19,162	8	—	19,170
Total marketable securities, noncurrent	33,464	8	(29)	33,443
Cash, cash equivalents, short-term marketable securities and marketable securities, noncurrent	$141,685	$ 14	$ (32)	$141,667

As of September 30, 2014 and December 31, 2013, we did not consider any of our investments to be other-than-temporarily impaired.

As of September 30, 2014, the following table summarizes the estimated fair value of our investments in marketable securities, all of which are considered available-for-sale, classified by the contractual maturity date (in thousands):

Due within 1 year	$ 70,992
Due within 1 year through 3 years	30,966
Total marketable securities	$101,958

See also Note 7.

Table of Contents

Note 7. Fair Value Measurements

Factors used in determining the fair value of financial assets and liabilities are summarized into three broad categories:

- Level 1 – quoted prices in active markets for identical securities as of the reporting date;
- Level 2 – other significant directly or indirectly observable inputs, including quoted prices for similar securities, interest rates, prepayment speeds and credit risk; and
- Level 3 – significant inputs that are generally less observable than objective sources, including our own assumptions in determining fair value.

The factors or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following tables present our financial assets and liabilities that are measured at fair value on a recurring basis (in thousands):

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market mutual funds	$ 174	$ —	$ —	$ 174
Marketable securities				
Commercial paper	—	2,497	—	2,497
Corporate notes and bonds	—	57,092	—	57,092
Government obligations	—	1,996	—	1,996
U.S. government and agency	—	40,373	—	40,373
	—	101,958	—	101,958
Total	$ 174	$101,958	$ —	$102,132

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market mutual funds	$6,711	$ —	$ —	$ 6,711
Marketable securities				
Commercial paper	—	5,497	—	5,497
Corporate notes and bonds	—	52,924	—	52,924
Government obligations	—	2,701	—	2,701
U.S. government and agency	—	42,130	—	42,130
	—	103,252	—	103,252
Total	$6,711	$103,252	$ —	$109,963
Liabilities:				
Contingent consideration				
Earnout liability	$ —	$ —	$ 726	$ 726

The following table summarizes our Level 3 activity for our contingent consideration liability (in thousands):

	Level 3
Balance at December 31, 2013	$ 726
Decrease in earnout liability due to payment	(726)
Balance at September 30, 2014	$ —

We classify our marketable securities as available-for-sale and, accordingly, record them at fair value based on quoted market prices for similar securities. Unrealized holding gains and losses are excluded from earnings and are reported as a separate component of stockholders' equity until realized. See the Consolidated Statements of Comprehensive Loss.

There were no changes to our valuation techniques during the first nine months of 2014.

During the three and nine-month periods ended September 30, 2014 and 2013, we did not record any other-than-temporary impairments.

We recognize or disclose the fair value of certain assets such as non-financial assets, primarily long-lived assets, goodwill, intangible assets and certain other assets in connection with impairment evaluations. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy.

The carrying value of our term loan approximates its fair value and falls under Level 2 of the fair value hierarchy, as the interest rate is variable and based on current market rates.

Note 8. Long-Term Debt

We have a secured revolving loan facility and term loan facility of up to $30.0 million under a loan agreement (the "Loan Agreement") with Silicon Valley Bank ("SVB"). The revolving loan facility expires on May 23, 2015.

On February 18, 2014, we entered into a Second Loan Modification Agreement with SVB to modify the minimum adjusted EBITDA financial covenant for periods occurring after December 31, 2013 and remove the fixed charge coverage ratio and maximum leverage ratio financial covenants, which were set to begin in periods occurring after December 31, 2013.

At September 30, 2014, we had $0.9 million of outstanding letters of credit, no revolving loans outstanding under the Loan Agreement and $6.6 million of term loans outstanding at an interest rate of 1.98%. We were in compliance with all covenants as of September 30, 2014.

Note 9. Commitments and Contingencies

In addition to $22.8 million in future payments under our operating leases, we have $5.7 million of commitments under non-cancelable purchase orders at September 30, 2014. The non-cancelable purchase order commitments will be filled at various times through the third quarter of 2016; and our longest operating lease expires in March 2020.

Table of Contents

Note 10. Statements of Cash Flows

The summary of supplemental cash flows information is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Supplemental Cash Flow Information				
Cash paid for interest	$ 39	$ 62	$ 145	$ 186
Cash paid for income taxes	96	171	193	224
Supplemental Non-Cash Information				
Common stock issued in connection with acquisition of StreamOnce	$ —	$ —	$ —	$ 852

Note 11. Related-Party Transactions

Certain members of our board of directors also serve on the board of directors of certain of our customers and in some cases are also investors of these customers. We believe the transactions between these customers and us were carried out on an arm's-length basis and that the pricing is consistent with similar transactions with other of our comparable customers. Certain information regarding these customers was as follows (in thousands):

	September 30, 2014	December 31, 2013
Accounts receivable	$ 55	$ 804
Current deferred revenue	508	1,504
Non-current deferred revenue	158	1,034

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues	$ 278	$ 474	$ 737	$ 1,262

Note 12. Capitalized Software Development Costs and Internal-Use Software Development Costs

Through the third quarter of 2014, we capitalized costs to develop internal-use software during the application development stage. These costs related to application development activities. In the third quarter of 2014, management developed a substantive plan to repurpose the in-process development into our existing software platform and new software products. As a result of this decision, the associated capitalized internal-use software costs became governed by the accounting standards related to capitalized software development costs in the third quarter of 2014. As such, subsequent to July 2014, we did not, and will no longer, capitalize costs related to internal-use software and, going forward, we will account for our current capitalized costs as capitalized software development costs.

Material software development costs incurred subsequent to establishing technological feasibility through the general release of the software products are capitalized. Technological feasibility is demonstrated by the completion of a detailed program design or working model, if no program design is completed. Historically, technological feasibility has occurred concurrently with the commercial release of our products and as a result we have not capitalized software development costs. We do not anticipate capitalizing material software development costs in future periods.

GAAP requires that annual amortization expense of the capitalized software development costs be the greater of the amounts computed using the ratio of gross revenue to a products' total current and anticipated revenues or the straight-line method over the products' remaining estimated economic life.

As of September 30, 2014, we had $9.0 million of capitalized software development costs which are included in other assets. Amortization of these capitalized costs has not started as the related projects are still in development. Once complete, these software development costs will be amortized on a straight-line basis over their estimated useful life and recorded as a component of cost of product revenues.

We make ongoing evaluations of the recoverability of our capitalized software by comparing the amount capitalized for each product to the estimated net realizable value of the product. If such evaluations indicate that the unamortized software development costs exceed the net realizable value, we write off the amount by which the unamortized software development costs exceed net realizable value. There was no impairment charge related to capitalized software development costs during the nine-month periods ended September 30, 2014 and 2013.

Note 13. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." ASU 2013-11 amends the guidance related to the presentation of unrecognized tax benefits and allows for the reduction of a deferred tax asset for a net operating loss ("NOL") carryforward whenever the NOL or tax credit carryforward would be available to reduce the additional taxable income or tax due if the tax position is disallowed. ASU 2013-11 is effective for annual and interim periods for fiscal years beginning after December 15, 2013, and early adoption is permitted. Since ASU 2013-11 relates only to the presentation of unrecognized tax benefits, the adoption of ASU 2013-11 in January 2014 did not have a material effect on our financial position, results of operations or cash flows.

Accounting Pronouncements Not Yet Adopted

In May, 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for us on January 1, 2017 and early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In June 2014, the FASB issued ASU 2014-12, "Compensation – Stock Compensation (Topic 718)." ASU 2014-12 addresses accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. ASU 2014-12 indicates that, in such situations, the performance target should be treated as a performance condition and, accordingly, the performance target should not be reflected in estimating the grant-date fair value of the award. Instead, compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved. ASU 2014-12 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. We do not expect the adoption of ASU 2014-12 to have a material effect on our financial position, results of operations or cash flows.

Note 14. Subsequent Events

On November 3, 2014, we entered into a Transition Agreement with Anthony Zingale, our Chief Executive Officer, pursuant to which Mr. Zingale will resign as our Chief Executive Officer effective November 10, 2014 and will continue his employment on an at-will basis with us as Executive Chairman during a transition period extending through November 10, 2015. Mr. Zingale also will remain as our Chairman of the Board of Directors of the Company (the "Board").

The Board has established an interim Office of the CEO. Effective November 10, 2014, the Office of the CEO will carry out the functions of a chief executive officer and will consist of Elisa Steele (our current Executive Vice-President of Marketing and Products), who will assume the role of our President, and William A. Lanfri (a member of the Board). Mr. Lanfri will continue to serve on the Board while carrying out his additional responsibilities as a member of the Office of the CEO. The Office of the CEO will report directly to the Board.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Forward-looking statements may be identified by the use of forward-looking words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect" or the negative or plural of these words or similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the effects of increased competition in our market;
- our ability to successfully enter new markets and manage our international expansion;
- our ability to timely and effectively scale and adapt our existing technology and network infrastructure;
- our ability to timely and effectively acquire or develop new products that meet the needs and expectations of our market;
- our ability to increase adoption of our platform by our customers' internal and external users;
- our ability to grow our external community business;
- our ability to protect our users' information and adequately address security and privacy concerns;
- our ability to maintain an adequate rate of growth;
- our future expenses;
- our ability to effectively manage our growth;
- risks related to actions of activist shareholders;
- our ability to maintain, protect and enhance our brand and intellectual property;

- the attraction and retention of qualified employees and key personnel; and
- other risk factors included under "Risk Factors" in this Quarterly Report on Form 10-Q.

These forward-looking statements 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. Please refer to Item 1A. Risk Factors in this Quarterly Report on Form 10-Q, for a discussion of reasons why our actual results may differ materially from our forward-looking statements. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our expectations change.

Overview

We provide an enterprise collaboration platform that improves business results by enabling a more productive and effective workforce through enhanced communications and collaboration both inside and outside the enterprise. Organizations deploy our platform to improve employee productivity, enhance revenue opportunities, lower operational costs, increase customer retention and improve strategic decision making. Our platform is primarily offered on a subscription basis, deployable in a private or public cloud and used for internal or external communities. We generate revenues from platform subscription license fees as well as from professional service fees for strategic consulting, configuration, implementation and training.

We sell our comprehensive Jive Enterprise Collaboration Platform (the "Jive Platform") across two principal communities: *internally* for employees within the enterprise and *externally* for customers and partners outside the enterprise. Internally focused communities comprised 73.5% of revenues derived from our Jive Platform in the first nine months of 2014 compared to 70.6% in the first nine months of 2013. As the market opportunity for enterprise collaboration software within the enterprise continues to grow, we expect revenues generated from internally focused communities to continue to be a higher percentage of our total revenues than revenues generated from externally focused communities. However, we believe there is a near-term growth opportunity in the external community market and are continuing to invest in our external community technology with the goal of achieving growth and market-share in both markets.

We offer our platform both as a public cloud service and as a private cloud solution. In 2012, we released Jive Cloud, one of our public cloud services that is a non-customizable version of our platform and is generally on a quarterly release cycle for new features and functionality. In the first nine months of 2014, product revenues from all public cloud deployments, including Jive Cloud, represented 67.7% of total product revenues compared to 63.6% in the first nine months of 2013. With the release of Jive Cloud and the increase in overall adoption by enterprises of cloud-based technologies, we anticipate that, over the long-term, public cloud deployments of our platform will comprise an increasing portion of our business.

Historically, we have generated the majority of our revenues from sales to customers within the United States. Revenues from customers in the United States accounted for 76.4% of total revenues in the first nine months of 2014 compared to 77.4% in the first nine months of 2013. We are continuing to focus on strengthening our direct sales presence and channel partners internationally, and we anticipate the percentage of our revenues generated outside of the United States will increase in the future.

On May 1, 2014, we announced a strategic partnership with Cisco Systems, Inc. The partnership combines our Jive Platform with Cisco's real-time communication technologies like WebEx and Jabber. As part of this agreement, Cisco and its reseller network will resell our solutions as a fully integrated part of Cisco's collaboration products, as well as providing joint go-to-market and product engineering initiatives to drive additional adoption and innovation. We do not expect this partnership to have a significant impact on 2014 results of operations.

Table of Contents

Seasonality

Our fourth quarter has historically been our strongest quarter for new billings and renewals. This pattern may be amplified over time if the number of our customers with renewal dates occurring in the fourth quarter continues to increase. Furthermore, our quarterly sales cycles are frequently weighted toward the end of the quarter, with an increased volume of sales in the last few weeks of each quarter. The year-over-year compounding effect of this seasonality in billing patterns and overall new business and renewal activity has historically resulted in the value of invoices that we generate in the fourth quarter increasing in proportion to our billings in the other three quarters of our fiscal year. We expect this trend to continue in future years.

Critical Accounting Policies and the Use of Estimates

Preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. We believe the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, result primarily from the need to make estimates about the effects of matters that are inherently uncertain.

Management's Discussion and Analysis and Note 2 to the Consolidated Financial Statements in our 2013 Annual Report on Form 10-K describe the significant accounting estimates and policies used in preparation of the Consolidated Financial Statements. Actual results in these areas could differ from management's estimates. See Note 12 of the Condensed Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion regarding changes in our critical accounting policies or estimates from those reported in our 2013 Annual Report on Form 10-K, which was filed with the SEC on March 3, 2014.

New Accounting Pronouncements

See Note 13 of the Condensed Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of new accounting pronouncements.

Non-GAAP Key Metrics

In addition to GAAP metrics, such as total revenues and gross margin, we also regularly review total billings and short-term billings, both non-GAAP measures, as well as the number of Jive Platform customers to evaluate our business, measure our performance, identify trends affecting our business, allocate capital and make strategic decisions.

The following tables set forth a reconciliation of total revenues to short-term billings and total revenues to total billings, respectively (dollars in thousands):

Short-Term Billings

	Three Months Ended September 30,		Dollar	
	2014	2013	Change	% Change
Total revenues	$ 46,600	$ 37,359	$ 9,241	24.7%
Deferred revenue, current, end of period	114,777	98,602	16,175	16.4%
Less: deferred revenue, current, beginning of period	(116,134)	(96,794)	(19,340)	20.0%
Short-term billings	$ 45,243	$ 39,167	$ 6,076	15.5%

	Nine Months Ended September 30,		Dollar	
	2014	2013	Change	% Change
Total revenues	$ 131,004	$106,453	$ 24,551	23.1%
Deferred revenue, current, end of period	114,777	98,602	16,175	16.4%
Less: deferred revenue, current, beginning of period	(112,432)	(87,698)	(24,734)	28.2%
Short-term billings	$ 133,349	$117,357	$ 15,992	13.6%

Table of Contents

Total Billings

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Dollar Change	% Change
Total revenues	$ 46,600	$ 37,359	$ 9,241	24.7%
Deferred revenue, end of period	147,167	127,744	19,423	15.2%
Less: deferred revenue, beginning of period	(143,578)	(128,115)	(15,463)	12.1%
Billings	$ 50,189	$ 36,988	$ 13,201	35.7%

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Dollar Change	% Change
Total revenues	$ 131,004	$ 106,453	$ 24,551	23.1%
Deferred revenue, end of period	147,167	127,744	19,423	15.2%
Less: deferred revenue, beginning of period	(147,337)	(117,047)	(30,290)	25.9%
Billings	$ 130,834	$ 117,150	$ 13,684	11.7%

We monitor total billings and short-term billings, both non-GAAP measures, in addition to other financial measures presented in accordance with GAAP to manage our business, make planning decisions, evaluate our performance and allocate resources. We believe that these non-GAAP measures offer valuable supplemental information regarding the performance of our business, and they will help investors better understand the sales volumes and performance of our business.

Our uses of total billings and short-term billings have limitations as analytical tools, and should not be considered in isolation or as a substitute for total revenues or an analysis of our results as reported under GAAP. Some of these limitations are:

- total billings and short-term billings are not substitutes for total revenues, as billings are recognized when invoiced, while revenue is primarily recognized ratably over the contract term;
- total billings can include fees paid for license terms greater than 12 months and for subscription renewals prior to the expiration of the current subscription term and, therefore, does not always closely match with the timing of delivery of support, maintenance and hosting services and the costs associated with delivering those services;
- short-term billings can include fees paid for license terms greater than 12 months in prior periods that were previously recorded on our Consolidated Balance Sheets as a component of non-current deferred revenue and were reclassified in the current period as deferred revenue, current and therefore does not always reflect billings that occurred in the period;
- changes to the composition of current period total billings and short-term billings may impact the correlation of current period total billings and short-term billings to future period revenues;
- total billings and short-term billings would not exclude any agreements that contain customer acceptance provisions or other contractual contingencies that would require deferral of revenue required under GAAP; and
- other companies, including companies in our industry, may not use total billings or short-term billings, may calculate non-GAAP measures differently or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP measures as comparative measures.

We consider total billings and short-term billings to be significant performance measures and leading indicators of future recognized revenue based on our business model of billing for subscription licenses annually and recognizing the resulting revenue ratably over the subscription term. The billings we record in any particular period reflect sales to new customers plus subscription renewals and upsell to existing customers, and represent amounts invoiced for product license fees and professional services. We typically invoice our customers for subscription fees in annual increments upon initiation of the initial contract or subsequent renewal. In addition, we also enter into arrangements with customers to purchase subscriptions for a term greater than 12 months, most typically 36 months. For subscriptions greater than 12 months, the customer has the option of being invoiced annually or paying for the full term of the subscription at the time the contract is signed. If the customer elects to pay the full multi-year amount at the time the contract is signed, the total amount billed for the entire term will be reflected in total billings; but only the amount that will be recognized as revenue in the following 12 month period would be included in short-term billings until the portion of the total billings beyond 12 months is subsequently reclassified from non-current deferred revenue to deferred revenue, current in a future period. However, if the customer elects to be invoiced annually for a multi-year contract, only the amount billed for the 12-month period will be included in both total and short-term billings. The portion of subscription terms under contract and not yet invoiced is considered backlog and is not reflected on our Consolidated Balance Sheets as deferred revenue.

Billings for consulting services can occur on either a time and materials or fixed fee basis. Billings for time and materials contracts typically occur on a bi-weekly basis as the services are delivered. Billings for fixed fee contracts are typically billed 100% at the beginning of the contract or 50% upon either signing or initiation of the project and 50% upon completion of the project.

The increase in short-term billings in the periods presented was primarily driven by increased upsell of our products to existing customers, the addition of new customers and an increase in billings for professional services.

The increase in total billings in the periods presented was primarily due to increased upsell of our products to existing customers, the addition of new customers and an increase in the amount of billings generated from customers electing multi-year terms where the full amount was billed up front.

Jive Social Business Platform Customers

We define the number of our platform customers at the end of any given measurement period by counting each customer under an active contract for our Jive Platform, which includes Jive Cloud, that carries a balance in our deferred revenue account at the end of that period. While a single customer may have multiple internal and external communities to support distinct departments, operating segments or geographies, we only include that customer once for purposes of this metric. We believe the number of Jive Platform customers is a leading indicator of our future revenues, billings and upsell opportunities.

Our Jive Platform customer count was as follows:

	As of September 30,			
	2014	2013	Change	% Change
Jive Platform customer count	936	855	81	9.5%

Our product revenues grew by 23.9% in the first nine months of 2014 compared to the first nine months of 2013. Our product revenues have grown at a faster rate than our customer count as we have realized greater upsell with our existing customers.

Components of Results of Operations

Revenues

We generate revenues primarily in the form of software subscription fees and professional services for strategic consulting, upgrade services, configuration, implementation and other services related to our software. We offer our products with subscription terms typically ranging from 12 to 36 months. In addition to license fees for our platform, our revenues include fees for sales of modules, premium support offerings, additional users and page views. While subscription-based licenses make up the substantial majority of our product revenues, in certain instances we license our software to customers on a perpetual basis, with ongoing support and maintenance services. Revenues generated through the sale of subscription licenses also include fees, embedded in the total license fee, for updates and maintenance. We recognize revenue from professional services ratably over the subscription term when they are bundled with a subscription license, because we do not have fair value for all of our undelivered elements, including support and professional services. When professional services are sold on a standalone basis, the contract revenue is recognized as the services are delivered. These amounts, when recognized, are classified as professional services revenues on our consolidated statements of operations based on the hourly rates at which they are billed.

Cost of Revenues

Cost of product revenues includes all direct costs to produce and distribute our product offerings, including data center and support personnel, depreciation and maintenance related to equipment located at our hosting service providers and in our Jive managed data centers, salaries, rent expense for our data centers, web hosting services expense for public cloud and Jive Cloud implementations, third-party royalty costs, benefits, amortization of acquired intangible assets and stock-based compensation. We recognize expense related to cost of revenues as they are incurred, while the associated product revenues are recognized ratably over their subscription term.

Cost of professional services revenues includes all direct costs to provide our professional services, which primarily include salaries, benefits and stock-based compensation for our professional services personnel, as well as third-party sub-contracting fees and outside services. We recognize expenses related to our professional services organization as they are incurred, while the majority of associated professional services revenues are recognized ratably over the subscription term.

Cost of revenues also includes allocated overhead costs for facilities and information technology. Allocated costs for facilities consist of rent and depreciation of equipment and leasehold improvements related to our facilities. Our allocated costs for information technology include costs for compensation of our information technology personnel and the cost associated with our information technology infrastructure. Our overhead costs are allocated to all departments based on headcount.

We expect that cost of revenues may increase in the future depending on the growth rate of our new customers and billings and our need to support the implementation, hosting and support of those new customers. We also expect that cost of revenues as a percentage of total revenues could fluctuate from period to period depending on growth of our services business and any associated costs relating to the delivery of services, the timing of sales of products that have royalties associated with them, the amount and timing of amortization of intangibles from acquisitions and the timing of significant expenditures. Additionally, we expect professional services gross margin to continue to be negative throughout 2014 as we are in the process of transitioning our professional services organization focus to strategic consulting, user adoption and enablement.

Research and Development

In the first quarter of 2013, we began capitalizing internal-use software development costs related to the development of a new architecture for our future generation platform service. The capitalized costs were incurred during the application development stage. In the third quarter of 2014, management developed a substantive plan to repurpose the in-process development into our existing software platform and new software products. As a result of this decision, the associated capitalized internal-use software costs became governed by the accounting standards related to capitalized software development costs in the third quarter of 2014. As such, subsequent to July 2014, we did not, and will no longer, capitalize costs related to internal-use software and, going forward, we will account for our current capitalized costs as capitalized software development costs. We do not anticipate capitalizing material software development in future periods.

As of September 30, 2014, we had capitalized $9.0 million of software development costs. We will begin amortizing the associated capitalized costs upon on each product’s release. We anticipate the products to be commercially released between the fourth quarter of 2014 and the second half of 2015.

Research and development costs include salaries, benefits and stock-based compensation for our engineers and developers, allocated facilities costs and payments to third parties for research and development of new software. We focus our research and development efforts on developing new versions of our platform with new and expanded features and enhancing the ease of use of our platform. We believe that continued investment in our technology is important for our future growth, and, as a result, we expect research and development expenses to increase in absolute dollars although they may fluctuate as a percentage of total revenues.

Sales and Marketing

Sales and marketing expenses primarily consist of salaries, incentive compensation and benefits, travel expense, marketing program fees, partner referral fees and stock-based compensation. Sales incentive compensation is recorded as earned as a component of sales and marketing expense. Sales incentive compensation is generally earned at the time a customer enters into a binding purchase agreement while associated revenue is recognized ratably over the subscription term. In addition, sales and marketing expenses include customer acquisition marketing, branding, advertising, customer events and public relations costs, as well as allocated facilities costs. We plan to continue investing in sales and marketing to expand our global operations, increase revenues from current customers, build brand awareness and expand our indirect sales channel. We expect sales and marketing expenses to increase in absolute dollars and remain our largest expense in absolute dollars and as a percentage of total revenues, although they may fluctuate as a percentage of total revenues.

General and Administrative

General and administrative expenses primarily consist of salaries, benefits and stock-based compensation for our executive, finance, legal, information technology, human resources and other administrative employees. In addition, general and administrative expenses include legal and accounting services, outside consulting, facilities and other supporting overhead costs not allocated to other departments. We expect that our general and administrative expenses will increase in absolute dollars as we continue to expand our business domestically and internationally.

Other Expense, Net

Other expense, net consists primarily of interest expense on our outstanding debt and foreign exchange gains and losses, as well as income related to our investments.

Provision For (Benefit From) Income Taxes

Provision for (benefit from) income taxes consists of federal and state income taxes in the United States and income taxes in certain foreign tax jurisdictions. Since we have generated net losses, we have placed a valuation allowance against any potential future benefits for loss carryforwards and research and development and other tax credits.

Table of Contents

Results of Operations

The following tables set forth our statement of operations data, both in absolute dollars and as a percentage of total revenues (dollars in thousands):

	Three Months Ended September 30, 2014(1)(2)		Three Months Ended September 30, 2013(1)(2)	
Revenues:				
Products	$ 42,162	90.5%	$ 33,456	89.6%
Professional services	4,438	9.5%	3,903	10.4%
Total revenues	46,600	100.0%	37,359	100.0%
Cost of revenues:				
Products	11,175	24.0%	9,034	24.2%
Professional services	6,060	13.0%	4,851	13.0%
Total cost of revenues	17,235	37.0%	13,885	37.2%
Gross profit:				
Products	30,987	66.5%	24,422	65.4%
Professional services	(1,622)	(3.5)%	(948)	(2.5)%
Total gross profit	29,365	63.0%	23,474	62.8%
Operating expenses:				
Research and development	13,608	29.2%	14,957	40.0%
Sales and marketing	21,696	46.6%	20,804	55.7%
General and administrative	6,161	13.2%	6,202	16.6%
Total operating expenses	41,465	89.0%	41,963	112.3%
Loss from operations	(12,100)	(26.0)%	(18,489)	(49.5)%
Other income (expense), net	155	0.3%	(187)	(0.5)%
Loss before provision for income taxes	(11,945)	(25.6)%	(18,676)	(50.0)%
Provision for income taxes	164	0.4%	29	0.1%
Net loss	$ (12,109)	(26.0)%	$ (18,705)	(50.1)%
Basic and diluted net loss per common share	$ (0.17)		$ (0.27)	
Shares used in per share calculations	71,026		68,167	

	Nine Months Ended September 30, 2014(1)(2)		Nine Months Ended September 30, 2013(1)(2)	
Revenues:				
Products	$ 118,576	90.5%	$ 95,678	89.9%
Professional services	12,428	9.5%	10,775	10.1%
Total revenues	131,004	100.0%	106,453	100.0%
Cost of revenues:				
Products	31,931	24.4%	27,786	26.1%
Professional services	17,399	13.3%	12,914	12.1%
Total cost of revenues	49,330	37.7%	40,700	38.2%
Gross profit:				
Products	86,645	66.1%	67,892	63.8%
Professional services	(4,971)	(3.8)%	(2,139)	(2.0)%
Total gross profit	81,674	62.3%	65,753	61.8%
Operating expenses:				
Research and development	39,496	30.1%	41,383	38.9%
Sales and marketing	66,855	51.0%	60,148	56.5%
General and administrative	18,994	14.5%	18,149	17.0%
Total operating expenses	125,345	95.7%	119,680	112.4%
Loss from operations	(43,671)	(33.3)%	(53,927)	(50.7)%
Other income (expense), net	(42)	0.0%	(345)	(0.3)%
Loss before provision for (benefit from) income taxes	(43,713)	(33.4)%	(54,272)	(51.0)%
Provision for (benefit from) income taxes	350	0.3%	(1,186)	(1.1)%
Net loss	$ (44,063)	(33.6)%	$ (53,086)	(49.9)%
Basic and diluted net loss per common share	$ (0.63)		$ (0.79)	
Shares used in per share calculations	70,202		66,913	

Table of Contents

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

	Three Months Ended September 30, 2014(2)		Three Months Ended September 30, 2013(2)	
Cost of revenues	$ 1,014	2.2%	$ 991	2.7%
Research and development	2,723	5.8%	4,263	11.4%
Sales and marketing	2,526	5.4%	2,910	7.8%
General and administrative	1,932	4.1%	1,955	5.2%
	$ 8,195	17.6%	$ 10,119	27.1%

	Nine Months Ended September 30, 2014(2)		Nine Months Ended September 30, 2013(2)	
Cost of revenues	$ 3,125	2.4%	$ 2,289	2.2%
Research and development	8,695	6.6%	9,890	9.3%
Sales and marketing	9,153	7.0%	7,539	7.1%
General and administrative	5,847	4.5%	4,790	4.5%
	$ 26,820	20.5%	$ 24,508	23.0%

(2) Percentages may not add due to rounding.

Revenues

(Dollars in thousands)	Three Months Ended September 30,		Dollar	
	2014	2013	Change	% Change
Products	$42,162	$33,456	$8,706	26.0%
Professional services	4,438	3,903	535	13.7%
Total revenues	$46,600	$37,359	$9,241	24.7%

(Dollars in thousands)	Nine Months Ended September 30,		Dollar	
	2014	2013	Change	% Change
Products	$118,576	$ 95,678	$22,898	23.9%
Professional services	12,428	10,775	1,653	15.3%
Total revenues	$131,004	$106,453	$24,551	23.1%

Products Revenues

The increases in products revenues in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily the result of an increase in the average annual subscription value and an increase in the aggregate number of customers on the Jive Platform, which grew to 936 as of September 30, 2014 from 855 as of September 30, 2013. The increases in the average annual subscription value were primarily driven by upsell to existing customers. In addition, in the three months ended September 30, 2014, we recognized a cumulative revenue catch-up related to an agreement with a certain customer which contained future deliverables around specific product integrations. We delivered those integrations in the third quarter of 2014, and recognized $1.2 million of product revenue earned during the first half of 2014.

Table of Contents

Certain revenue information was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Dollar value of total revenues generated in the U.S.	$35.4 million	$29.1 million	$100.1 million	$82.4 million
Percentage of total revenues generated in the U.S.	76.0%	77.8%	76.4%	77.4%
Product revenues from public cloud deployments as percentage of total product revenues	68.7%	65.0%	67.7%	63.6%
Product revenues from private cloud deployments as percentage of total product revenues	31.3%	35.0%	32.3%	36.4%
Percentage of Jive Platform revenues that represented internally focused communities	73.9%	71.2%	73.5%	70.6%
Percentage of Jive Platform revenues that represented externally focused communities	26.1%	28.8%	26.5%	29.4%

Professional Services Revenues

The increases in professional services revenues in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily due to the increase in the number of customers on the Jive Platform over the same period, as well as the increase in professional services revenues related to version upgrade services and strategic consulting for existing customers.

We offer professional services as both standalone and bundled services. When sold as standalone services, the contract revenue is recognized as the services are delivered. For our bundled services, the amounts are recognized ratably over the subscription term of which they are bundled with. Standalone professional services revenues in the three and nine-month periods ended September 30, 2014 increased $0.1 million and $1.0 million, respectively, compared to the same periods in 2013.

Cost of Revenues and Gross Margins

Cost of Revenues: Products

	Three Months Ended September 30,		Dollar	
(Dollars in thousands)	2014	2013	Change	% Change
Cost of revenues: products	$11,175	$9,034	$2,141	23.7%
Products gross margin	73.5%	73.0%		

	Nine Months Ended September 30,		Dollar	
(Dollars in thousands)	2014	2013	Change	% Change
Cost of revenues: products	$31,931	$27,786	$4,145	14.9%
Products gross margin	73.1%	71.0%		

The increases in cost of revenues for products in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily due to the increases in products revenues and included the following:

- a $0.7 million and a $2.7 million increase, respectively, in salaries and benefits, including a $0.4 million increase in stock-based compensation during the nine-month period;
- a $0.6 million and a $1.0 million increase, respectively, in third-party royalties;
- a $0.3 million increase in hosting services during the three-month period;
- a $0.4 million increase in depreciation expense during the nine-month period;

- a $0.2 million and a $0.5 million increase, respectively, in rent expense; and
- a $0.3 million and a $0.4 million increase, respectively, in miscellaneous costs.

The increases noted above were partially offset by a $0.9 million decrease in third-party hosting services for the nine-month period as we transitioned from a third-party data center to our internally managed data centers.

The increases in products gross margin in the three and nine-month periods ended September 30, 2014 compared to the same periods in 2013 were driven by revenue growth increasing at a greater rate than our costs and by cost efficiencies gained through utilization of our internally managed data centers.

Cost of Revenues: Professional Services

(Dollars in thousands)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Dollar Change	% Change
Cost of revenues: professional services	$ 6,060	$ 4,851	$1,209	24.9%
Professional services gross margin	(36.5)%	(24.3)%		

(Dollars in thousands)	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Dollar Change	% Change
Cost of revenues: professional services	$17,399	$12,914	$4,485	34.7%
Professional services gross margin	(40.0)%	(19.9)%		

The increases in cost of revenues for professional services in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily due to:

- a $0.6 million and a $2.8 million increase, respectively, in salaries and benefits, including a $0.1 million and a $0.4 million increase, respectively, in stock-based compensation;
- a $0.6 million and a $1.5 million increase, respectively, in third-party sub-contracting fees; and
- a $0.2 million increase in other miscellaneous costs for the nine-month period.

The decreases in professional services gross margin in the three and nine-month periods ended September 30, 2014 compared to the same periods in 2013 were primarily due to decreases in billable utilization as we continued to shift the focus of our professional services organization to strategic consulting, user adoption and enablement, as well as customer migrations to Jive Cloud. The improved standard functionality of our offerings has resulted in the need for fewer technical customizations. In addition, an increase in third-party sub-contracting fees has negatively impacted gross margin, as our net realizable margins are lower when utilizing third-parties to manage our services backlog.

Research and Development

(Dollars in thousands)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Dollar Change	% Change
Research and development	$13,608	$14,957	$(1,349)	(9.0)%
Percentage of total revenues	29.2%	40.0%		

(Dollars in thousands)	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Dollar Change	% Change
Research and development	$39,496	$41,383	$(1,887)	(4.6)%
Percentage of total revenues	30.1%	38.9%		

The decreases in research and development expenses in the three and nine-month periods ended September 30, 2014 compared to the same periods in 2013 were primarily due to:

- a $0.8 million and a $0.6 million decrease, respectively, in salaries and benefits, which included a $1.5 million and a $1.2 million decrease, respectively, in stock-based compensation;
- a $0.2 million and a $0.6 million decrease, respectively, in third-party consulting fees;
- a $0.1 million and a $0.3 million decrease, respectively, in corporate allocation costs; and
- a $0.2 million and a $0.4 million decrease, respectively, in other miscellaneous costs.

Additionally, during the first quarter of 2013, we began capitalizing research and development expenses related to software development costs. We capitalized $0.9 million and $5.9 million of such costs in the three and nine-month periods ended September 30, 2014, which represented increases of $0.2 million and $4.4 million, respectively, compared to the same periods in 2013. These costs otherwise would have been recognized as research and development salaries and benefits expenses. Subsequent to July 2014, we did not, and will no longer, capitalize these costs which will drive increased research and development costs as such costs will be recognized in the period they are incurred. We anticipate the products related to the capitalized costs to be commercially released between the fourth quarter of 2014 and the second half of 2015. The capitalized amounts will be amortized over their estimated useful life once the related product is placed into service.

Sales and Marketing

(Dollars in thousands)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Dollar Change	% Change
Sales and marketing	$21,696	$20,804	$ 892	4.3%
Percentage of total revenues	46.6%	55.7%		

(Dollars in thousands)	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Dollar Change	% Change
Sales and marketing	$66,855	$60,148	$6,707	11.2%
Percentage of total revenues	51.0%	56.5%		

The increases in sales and marketing expenses in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily due to:

- a $1.0 million and a $5.6 million increase, respectively, in salaries and benefits, including a $0.4 million decrease and a $1.6 million increase, respectively, in stock-based compensation;
- a $0.4 million and a $0.5 million increase, respectively, in marketing expenses;
- a $0.4 million increase in third-party consulting fees for the nine-month period; and
- a $0.5 million increase in facilities overhead for the nine-month period.

The increases noted above were partially offset by a $0.5 million and a $0.3 million decrease, respectively, in other miscellaneous costs.

General and Administrative

(Dollars in thousands)	Three Months Ended September 30, 2014	2013	Dollar Change	% Change
General and administrative	$ 6,161	$ 6,202	$ (41)	(0.7)%
Percentage of total revenues	13.2%	16.6%		

(Dollars in thousands)	Nine Months Ended September 30, 2014	2013	Dollar Change	% Change
General and administrative	$18,994	$18,149	$ 845	4.7%
Percentage of total revenues	14.5%	17.0%		

General and administrative expenses in the three-month period ended September, 30 2014 remained consistent with the same period in 2013 as there were no significant changes in salaries, recruiting fees or other miscellaneous costs.

The increases in general and administrative expenses in the nine-month period ended September 30, 2014 compared to the same period of 2013 was primarily due to:

- a $2.3 million increase in salaries and benefits, including a $1.1 million increase, in stock-based compensation;
- a $0.6 million increase in rent; and
- a $0.4 million increase in subscription services.

The increases noted above were partially offset by:

- a $0.9 million decrease in third-party recruiting fees;
- a $0.7 million decrease in legal fees;
- a $0.5 million decrease in facilities allocation; and
- a $0.4 million decrease in other miscellaneous costs.

Other Income (Expense), net

(Dollars in thousands)	Three Months Ended September 30, 2014	2013	Dollar Change	% Change
Other income (expense), net	$ 155	$ (187)	$ 342	182.9%
Percentage of total revenues	0.3%	(0.5)%		

(Dollars in thousands)	Nine Months Ended September 30, 2014	2013	Dollar Change	% Change
Other income (expense), net	$ (42)	$ (345)	$ 303	87.8%
Percentage of total revenues	(0.0)%	(0.3)%		

The improvements in other income (expense), net in the three and nine-month periods ended September 30, 2014 compared to the same periods of 2013 were primarily due to an increase in foreign currency gains.

Provision For (Benefit From) Income Taxes

(Dollars in thousands)	Three Months Ended September 30, 2014	2013
Provision for (benefit from) income taxes	$ 164	$ 29
Percentage of loss before income taxes	1.4%	0.2%

(Dollars in thousands)	Nine Months Ended September 30, 2014	2013
Provision for (benefit from) income taxes	$350	$ (1,186)
Percentage of loss before income taxes	0.8%	(2.2)%

In both the 2014 and 2013 periods, we recorded income taxes that were principally attributable to state and foreign taxes. We believe that the recognition of the deferred tax assets arising from future tax benefits as a result of our losses before provision for income taxes is not more likely than not to be realized. We therefore continued to record valuation allowances against our deferred tax assets and, accordingly, benefits generated related to losses were offset by increases in the valuation allowance.

The tax benefit in the nine-month period ended September 30, 2013 related to the release of valuation allowance in connection with the recording of deferred tax liabilities associated with an acquisition.

Liquidity and Capital Resources

(Dollars in thousands)	Nine Months Ended September 30, 2014	2013
Cash flows provided by (used in) operating activities	$ (1,606)	$ 1,275
Cash used in investing activities	(7,481)	(11,633)
Cash provided by (used in) financing activities	(2,200)	4,037
Decrease in cash and cash equivalents	$(11,287)	$ (6,321)

We have financed our operations primarily through issuances of preferred stock, borrowings under our credit facility, cash generated from customer sales and the proceeds from our initial public offering ("IPO"), which closed on December 16, 2011.

Our principal source of liquidity at September 30, 2014 consisted of $27.2 million of cash and cash equivalents, $71.0 million of short-term marketable securities and $31.0 million of non-current marketable securities. As of September 30, 2014, $1.3 million of our cash was held in foreign bank accounts. Our principal needs for liquidity include funding our operating losses, working capital requirements, capital expenditures, debt service and acquisitions. We believe that our available resources are sufficient to fund our liquidity requirements for at least the next 12 months from September 30, 2014.

Free cash flow, which we define as cash flows provided by operating activities minus cash flows used for the purchase of property and equipment, was negative $9.5 million in the first nine months of 2014. We expect free cash flow for the full year 2014 to be between negative $15 million and negative $20 million.

Cash Flows from Operating Activities

Cash flows used in operating activities were $1.6 million during the first nine months of 2014 compared to cash flows provided by operating activities of $1.3 million in the first nine months of 2013. The decrease in cash flows generated from operating activities primarily resulted from increases in accounts receivable and deferred revenue balances, which were partially offset by a lower net loss. Changes to our operating cash flows are historically impacted by the growth in our calculated total billings and our ability to maintain or improve the timeframe to collect the cash from outstanding accounts receivable, or days billings outstanding, offset by funding our growth and working capital needs.

The $1.6 million of cash used in operating activities in the first nine months of 2014 resulted from our net loss of $44.1 million, partially offset by net non-cash charges of $38.6 million and changes in our operating assets and liabilities as discussed below.

Accounts receivable, net decreased $8.8 million to $50.0 million at September 30, 2014 compared to $58.8 million at December 31, 2013, primarily as a result of an $8.7 million decrease in total billings in the third quarter of 2014 compared to the fourth quarter of 2013, primarily due to the seasonality of our business, while days billings outstanding remained flat at 92 days at September 30, 2014 and December 31, 2013. Partially offsetting the decrease in total billings during the third quarter of 2014 was a $2.0 million of 2014 in invoices that were billed and collected in the same period compared to the fourth quarter of 2013.

Prepaid expenses and other current assets increased $5.9 million to $15.2 million at September 30, 2014 compared to $9.4 million at December 31, 2013, primarily due to the timing of payments for annual contracts.

Accounts payable increased $0.9 million to $6.8 million at September 30, 2014 compared to $6.4 million at December 31, 2013, due to the timing of payments, partially offset by $0.5 million of fixed asset purchases remaining in accounts payable as of September 30, 2014.

Accrued payroll and related liabilities decreased $0.9 million to $6.6 million at September 30, 2014 compared to $7.5 million at December 31, 2013. This decrease is primarily due to a decrease in accrued commissions of $1.6 million being partially offset by a $0.6 million increase in accrued bonuses.

Deferred revenue decreased $0.2 million to $147.2 million at September 30, 2014 compared to $147.3 million at December 31, 2013, primarily due to a decrease in billings in the third quarter of 2014 compared to the fourth quarter of 2013 due to the seasonality of our business. The current portion of deferred revenue increased $2.4 million at September 30, 2014 compared to December 31, 2013, while the non-current portion decreased $2.5 million at September 30, 2014 compared to December 31, 2013.

Cash Flows from Investing Activities

Our primary investing activities have consisted of purchases of investments, purchases of property and equipment, primarily related to the build out of our data centers, and payments for intangible assets and acquisitions. We utilized $7.5 million in net investing activities in the first nine months of 2014, which included $7.9 million used for purchases of property and equipment and $0.4 million provided by sales and maturities of marketable securities, net purchases.

We anticipate spending approximately $10 million to $12 million for the purchase of property and equipment in all of 2014, primarily for the continued expansion of our internally managed data centers, as well as capitalized research and development expenses related to software development costs that were incurred through the third quarter. Additionally, in the first nine months of 2014, we entered into operating leases to procure a portion of the equipment required to scale our data centers.

Cash Flows from Financing Activities

Our financing activities have consisted primarily of borrowings and repayments under our revolving credit facilities and the net proceeds from the issuance of our common stock from employee option exercises. Cash used in financing activities of $2.2 million in the first nine months of 2014 resulted from $1.8 million in principal payments on our term debt and $1.6 million in taxes paid related to the net settlement of equity awards, as well as $0.6 million used to pay the acquisition date fair value of StreamOnce earnout. The post-acquisition date accretion of the StreamOnce earnout in the amount of $0.1 million was also paid and is included in cash flows from operations. These payments were partially offset by $1.7 million in cash receipts related to stock option exercises.

Debt Arrangements

Term Loan

We have a secured revolving loan facility and term loan facility of up to $30.0 million. Revolving loans may be converted into term loans under the facility, with all outstanding term loans reducing the availability under the revolving loan facility. Interest is accrued, at our option, at (i) an adjusted LIBOR rate, plus a margin of 2.0% or 2.25%, or (ii) the prime rate, plus a margin of 0.25% or 0.50%, in each case with such margin determined based on our adjusted quick ratio.

Repayment began July 1, 2012, and is payable in 16 quarterly installments. Each of the installment payments is $0.6 million, plus accrued interest. At September 30, 2014, we had $0.9 million of outstanding letters of credit, no revolving loans outstanding and $6.6 million of term loans outstanding at an interest rate of 1.98% and we were in compliance with all financial and restrictive covenants.

Off-Balance Sheet Arrangements

Except as disclosed within Note 9 of the Condensed Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our reported market risks or risk management policies since the filing of our 2013 Annual Report on Form 10-K, which was filed with the SEC on March 3, 2014.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. 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 September 30, 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 September 30, 2014, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A. Risk Factors

Risks Related to our Business and Industry

Our future growth is, in large part, dependent upon the widespread adoption of enterprise collaboration software by enterprises and it is difficult to forecast the rate at which this will happen.

Collaboration software for enterprises remains at an early stage of technological and market development and the extent to which enterprise collaboration software will become widely adopted remains uncertain. It continues to remain difficult to predict customer adoption rates, customer demand for our platform, the future growth rate and size of this market and the entry of competitive solutions. Any expansion of the enterprise collaboration software market depends on a number of factors, including the cost, performance and perceived value and benefits associated with enterprise collaboration software. If enterprise collaboration software does not achieve widespread adoption, or if there is a reduction in demand for enterprise collaboration software caused by a lack of customer acceptance, technological challenges, weakening economic conditions, competing technologies and products, decreases in corporate spending or otherwise, it could result in lower billings, reduced renewal rates and decreased revenues and our business could be adversely affected. Additionally, mergers or consolidations among our customers could reduce the number of our customers and could adversely affect our revenues and billings. In particular, if our customers are acquired by entities that are not our customers, are customers of our competitors, or that use fewer of our solutions, or that have more favorable contract terms and choose to discontinue, reduce or change the terms of their use of our platform, our business and operating results could be materially and adversely affected.

We cannot accurately predict new subscription, subscription renewal or upsell rates and the impact these rates may have on our future revenues and operating results.

In order for us to improve our operating results and continue to grow our business, it is important that we continually attract new customers and that existing customers renew their subscriptions with us when their existing contract term expires. Our existing customers have no contractual obligation to renew their subscriptions after the initial subscription period and we cannot accurately predict renewal rates. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including, but not limited to, their satisfaction with our platform and our customer support, the level of usage of our platform within their enterprise, the frequency and severity of outages, our product uptime or latency, the pricing of our, or competing, software or professional services, the effects of global economic conditions, and reductions in spending levels or changes in our customers' strategies regarding enterprise collaboration tools. If our customers renew their subscriptions, they may renew for fewer users or page views, for shorter contract lengths or on other terms that are less economically beneficial to us. If customers enter into shorter initial subscription periods, the risk of customers not renewing their subscriptions with us would increase and our billings and revenues may be adversely impacted. We have limited historical data with respect to rates of customer renewals, so we may not accurately predict future renewal trends. We cannot assure you that our customers will renew their subscriptions, and if our customers do not renew their agreements or renew on less favorable terms, our revenues may grow more slowly than expected or decline and our billings may be adversely impacted.

To the extent we are successful in increasing our customer base, we could incur increased losses because costs associated with generating customer agreements and performing services are generally incurred up front, while revenue is recognized ratably over the term of the agreement. This risk is particularly applicable for those customers who choose to deploy our platform in the public cloud. If new customers sign agreements with short initial subscription periods and do not renew their subscriptions, our operating results could be negatively impacted due to the upfront expenses associated with our sales and implementation efforts. Alternatively, to the extent we are unsuccessful in increasing our customer base, we could also incur increased losses as costs associated with marketing programs and new products intended to attract new customers would not be offset by future incremental revenues and cash flow.

In order for us to improve our operating results, it is important that our customers make additional significant purchases of our functionality and offerings, including additional communities, modules, users or page views or professional services. If our customers do not purchase additional functionality or offerings, our revenues may grow more slowly than expected. Additionally, increasing incremental sales to our current customer base requires increasingly sophisticated and costly sales efforts that are targeted at senior management. We also invest various resources targeted at expanding the utilization rates of our platform. There can be no assurance that our efforts would result in increased sales to existing customers, or upsells, and additional revenues. If our efforts to upsell to our customers are not successful, our business will suffer.

Additionally, our quarterly sales cycles are frequently more heavily weighted toward the end of the quarter with an increased volume of sales in the last few weeks of the quarter. If this trend becomes more exaggerated, it could negatively impact the timing of recognized revenues, cash collections and delivery of professional services in subsequent periods. Furthermore, the concentration of contract negotiations in the last few weeks of the quarter could require us to hire additional sales, legal and finance employees.

We depend on our senior management team, and the loss of one or more key employees or groups could harm our business and prevent us from implementing our business plan in a timely manner.

Our success depends largely upon the continued services of our executive officers, which includes key leadership in the areas of research and development, marketing, sales, services and the general and administrative functions. In the last three months, we announced the resignations of our Chief Executive Officer, Senior Vice President of Worldwide Sales, Executive Vice President, Products, and Executive Vice President of Engineering and the related transition of such executives' roles and responsibilities to other members of senior management. If the new members of executive management do not successfully transition into their new positions, it could negatively impact our business. From time to time, there may be additional changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. We are also substantially dependent on the continued service of our existing development personnel because of the complexity of our platform and other solutions.

Our personnel do not have employment arrangements that require these personnel to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. We do not maintain key person life insurance policies on any of our employees. The loss of one or more of our key employees or groups could seriously harm our business.

Because we generally recognize revenues from subscriptions for our platform ratably over the term of the agreement, near term changes in sales may not be reflected immediately in our operating results.

We generally recognize revenues from customers ratably over the term of their agreements, which generally range from 12 to 36 months. As a result, most of the revenues we report in each quarter are derived from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters or years. Consequently, a decline in new or renewed subscriptions in any one quarter is not likely to be reflected immediately in our revenues results for that quarter. Such declines, however, would negatively affect our revenues in future periods and the effect of significant downturns in sales and market acceptance of our solutions, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our total revenues through additional sales in any period, as revenues from new customers must be recognized over the applicable subscription term. In some instances, our customers choose to pre-pay the entire term of their multi-year subscriptions up front. As a result, billings can fluctuate significantly from quarter to quarter.

The market for enterprise collaboration software is still in its early stages of development and intensely competitive, and if we do not compete effectively, our business will be harmed.

The market for enterprise collaboration software is relatively new, highly competitive and rapidly evolving with new competitors entering the market. We expect the competitive landscape to continue to intensify in the future as a result of regularly evolving customer needs and frequent introductions of new products and services. We currently compete with large well-established multi-solution enterprise software vendors, stand-alone enterprise software application providers, and smaller software application vendors. Our primary competition for internal communities currently comes from large well-established enterprise software vendors such as Microsoft Corporation and IBM Corporation, both of which are significantly larger than we are, have greater name recognition, larger customer bases, much longer operating histories, significantly greater financial, technical, sales, marketing and other resources, and are able to provide comprehensive business solutions that are broader in scope than the solutions we offer. These well-established vendors may have preexisting relationships with our existing and potential customers and to the extent our solutions are not viewed as being superior in features, function and integration or priced competitively to existing solutions, we might have difficulty displacing them. We also compete with stand-alone enterprise software applications that have begun adding social features to their existing offerings, including salesforce.com, inc. Some of these companies have large installed bases of active customers that may prefer to implement enterprise collaboration software solutions that are provided by an existing provider of customer management software, and these companies may be able to offer discounts and other pricing incentives that make their solutions more attractive. For our external community business, we also compete with standalone software providers, such as Lithium Technologies, Inc., whose primary product is focused on providing external communities to their customers. In addition, large social and professional networking providers with greater name recognition, financial resources and other resources may add enterprise collaboration applications to their existing applications, or our competitors may enter into strategic alliances with each other, resulting in increased competition. For example, in June 2012, Microsoft Corporation acquired Yammer, Inc., an early stage private company that provides social networking capabilities to enterprise customers, and, in June 2013, Oracle and salesforce.com announced a new strategic partnership to integrate their cloud applications. To the extent that our competitors are successful in combining these social networking capabilities with their existing products, we could experience increased competition, which could adversely affect our billings, revenues and margins.

Some of our competitors offer their solutions at a lower price or at no incremental cost, which has resulted in pricing pressures and increased competition. If we are unable to price our solutions appropriately, our operating results could be negatively impacted. In addition, lower margins, pricing pressures and increased competition generally could result in reduced sales and billings, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could harm our business. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources. Certain current competitors have been, and current or potential competitors may be, acquired by third parties with greater available resources and as a result of such acquisitions, might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their solutions, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their offerings more quickly than we do. If we are unable to compete effectively for a share of our market, our business, operating results and financial condition could be materially and adversely affected.

Our quarterly results are likely to fluctuate due to a number of factors, and the value of our stock could decline substantially.

Our quarterly operating results are likely to fluctuate. For example, our fourth quarter has historically been our strongest quarter for new billings and renewals. This pattern may be amplified over time if the number of customers with renewal dates occurring in the fourth quarter continues to increase. Fluctuations in our quarterly financial results may be caused by a number of factors, many of which are out of our control. These factors include, but are not limited to, the following:

- the renewal rates for our platform;
- upsell rates for our solutions and services;
- changes in deferred revenue balances due to changes in the average duration of subscriptions, rate of renewals, timing of renewal billings, composition of billings for professional services, amount of multi-year prepayments, amount of non-renewable perpetual license billings and the rate of new business growth;
- changes in the composition of current period billings;
- changes in the mix of the average term length and payment terms;
- changes in the mix of our revenue derived from internal and external communities;
- order sizes in any given quarter;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;
- changes in our pricing policies, whether initiated by us or as a response to competitive or other factors;
- the cost and timing associated with, and management effort for, the introduction of new features to our platform;
- the rate of expansion and productivity of our sales force;
- the length of the sales cycle for our platform;
- changes in our go-to-market strategy;
- the success of our sales efforts through independent partners;
- the success of our international expansion strategy;
- new solution introductions by our competitors;
- our success in selling our platform to large enterprises;
- our success in selling into the IT department of our customers;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional subscriptions or a larger deployment, or hinder or delay a prospective customer's purchasing decision, or reduce the value of new subscriptions, or affect renewal rates or the timing of renewals;
- timing of additional investments in the development of our platform or deployment of our services;
- disruptions in our hosting services or our inability to meet service level agreements and any resulting refunds to customers;
- security breaches and potential financial penalties to customers and government entities;
- concerns over government-sponsored electronic surveillance activities;
- purchases of new equipment and bandwidth in connection with our data center expansion;
- regulatory compliance costs;
- potential delay in revenue recognition for product acceptance rights;
- the timing of customer payments and payment defaults by customers;
- the impact on services margins as a result of the use of third-party contractors to fulfill demand;
- the impact on services margins as a result of periods of less than full utilization of our full-time services employees;
- costs associated with acquisitions of companies and technologies;
- potential goodwill, other long-lived asset or capitalized software development cost impairment;
- the impact of capitalized research and development costs on current and future periods;
- extraordinary expenses such as litigation or other dispute-related settlement payments;
- adjustments arising from future state and local sales tax examinations;
- the impact of new accounting pronouncements; and
- the timing and size of stock awards to employees.

Based on the factors described above, we believe that our quarterly operating results may vary significantly in the future and that period-to-period comparisons of our operating results may not be indicative of future results.

In addition, due to our evolving business model, the rapid pace of technological change, the unpredictability of the emerging market in which we participate, and potential fluctuations in future general economic and financial market conditions, we may not be able to accurately forecast our rate of growth. We plan our expense levels and investments on estimates of future billings, revenues and anticipated rate of growth. We may not be able to adjust our spending quickly enough if the addition of new customers, the upsell rate for existing customers, or the price for which we are able to sell our platform is below our expectations. As a result, we expect that our billings, revenues, operating results and cash flows may fluctuate significantly and comparisons of our billings, revenues, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

Furthermore, we may fail to meet or exceed the expectations of securities analysts and investors, and the market price for our common stock could decline. If one or more of the securities analysts who cover us change their recommendation regarding our stock adversely, the market price for our common stock could decline. Additionally, our stock price may be based on expectations, estimates or forecasts of our future performance that may be unrealistic or may not be achieved. Further, our stock price may be affected by financial media, including press reports and blogs.

Because our long-term success depends, in part, on our ability to expand our sales to customers outside the United States, our business will be susceptible to risks associated with international operations.

We sell our platform primarily through our direct sales organization, which is comprised of inside sales and field sales personnel located in a variety of geographic regions, including the United States, the Asia Pacific region, South America and Europe. Sales outside of the United States represented approximately 24%, 23%, 23% and 21% of our total revenues in the first nine months of 2014 and in the fiscal years ended December 31, 2013, 2012 and 2011, respectively. As we continue to expand sales of our Jive Platform to customers located outside the United States, our business will be increasingly susceptible to risks associated with international operations. However, we have a limited operating history outside the United States, and our ability to manage our business and conduct our operations internationally, particularly in new geographies, requires considerable management attention and resources and is subject to particular challenges of supporting a business in an environment of diverse cultures, languages, customs, tax laws, legal systems, alternate dispute systems and regulatory systems. The risks and challenges associated with international expansion include:

- continued localization of our platform, sales collateral and legal agreements, including translation into foreign languages and associated expenses;
- laws and business practices favoring local competitors;
- compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations;
- compliance with anti-bribery laws, including compliance with the Foreign Corrupt Practices Act and the UK Anti-Bribery Act;
- international customers' potential reluctance to do business with U.S. companies who host content and data as a result of recent alleged surveillance activities by the United States National Security Administration (the "NSA");
- regional data privacy laws that apply to the processing of personal information, particularly those focused on the transmission of our customers' data across international borders;
- ability to provide local hosting, consulting and support services;
- different pricing environments, including invoicing and collecting in foreign currencies and associated foreign currency exposure;
- difficulties in staffing and managing foreign operations and the increased travel, infrastructure, accounting, tax and legal compliance costs associated with international operations;
- different or lesser protection of our intellectual property rights;
- difficulties in enforcing contracts and collecting accounts receivable, longer payment cycles and other collection difficulties;

- regional economic and political conditions;
- disruption as a result of the obligation of certain of our personnel in Israel to perform military service; and
- security concerns such as civil or military unrest and terrorist activities.

Additionally, a substantial majority of our international customers currently pay us in U.S. dollars and, as a result, fluctuations in the value of the U.S. dollar and foreign currencies may make our platform more expensive for international customers, which could harm our business. In the future, an increasing number of our customers may pay us in foreign currencies. Any fluctuation in the exchange rate of these foreign currencies or pressure on the creditworthiness of sovereign nations, particularly in Europe, may negatively impact our business. If we are unable to successfully manage the challenges of international operations and expansion, our growth could be limited, and our business and operating results could be adversely affected.

We may continue to acquire or invest in other companies or technologies in the future, which could divert management's attention, result in additional dilution to our stockholders, increase expenses, disrupt our operations and harm our operating results.

From January 2011 through September 30, 2014, we completed six acquisitions. We may, in the future, acquire or invest in other businesses, products or technologies that we believe could complement or expand our platform, enhance our technical capabilities or otherwise offer growth opportunities. We cannot assure you that we will realize the anticipated benefits of these or any future acquisition. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses related to identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

There are inherent risks in integrating and managing acquisitions. If we acquire additional businesses, we may not be able to assimilate or integrate the acquired personnel, operations and technologies successfully or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including:

- unanticipated costs or liabilities associated with the acquisition;
- incurrence of acquisition-related costs, which would be recognized as a current period expense;
- inability to generate sufficient revenues to offset acquisition or investment costs;
- the inability to maintain relationships with customers and partners of the acquired business;
- the difficulty of incorporating acquired technology and rights into our platform and of maintaining quality standards consistent with our brand;
- difficulty in incorporating new people;
- delays in customer purchases due to uncertainty related to any acquisition;
- the need to implement additional controls, procedures and policies;
- in the case of foreign acquisitions, the challenges associated with currency and regulatory risks;
- challenges caused by distance, language and cultural differences;
- harm to our existing business relationships with business partners and customers as a result of the acquisition;
- the potential loss of key employees;
- use of resources that are needed in other parts of our business;
- the inability to recognize acquired revenues in accordance with our revenue recognition policies, and the loss of acquired deferred revenue; and
- use of substantial portions of our available cash or the incurrence of debt to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to goodwill and other intangible assets, which must be assessed for impairment at least annually. Also, contingent considerations related to acquisitions will be remeasured to fair value at each reporting period, with any changes in the value recorded as income or expense. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on the impairment assessment process, which could harm our results of operations.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer.

We have a history of cumulative losses and we do not expect to be profitable for the foreseeable future.

We have incurred losses in each of the last six years and in 2014 to date, including a net loss of $44.1 million in the first nine months of 2014, $75.4 million in 2013, $47.4 million in 2012 and $50.8 million in 2011. At September 30, 2014, we had an accumulated deficit of $271.6 million. As we continue to invest in infrastructure, development of our solutions and international expansion of our sales and marketing efforts, our operating expenses will continue to increase. Additionally, to accommodate future growth, we have transitioned our customer data centers from third-party service providers to co-located facilities managed by our internal hosting operations team. This transition has required, and will continue to require, significant up-front capital expenditures and these costs and expenses may exceed the rate which realizes any associated incremental billings or revenues. As a result, our losses in future periods may be significantly greater than the losses we would incur if we developed our business more slowly. In addition, we may find that these efforts are more expensive than we currently anticipate or that they may not result in increases in our revenues or billings or provide the gross margin improvements we anticipated, which may result in us undertaking cost savings initiatives or identifying opportunities to achieve greater efficiencies in how we conduct our business. Although we have experienced revenue growth in prior periods, you should not consider any previous revenue growth or growth rates as indicative of our future performance. We do not expect to be profitable on a GAAP basis in the foreseeable future and we cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will sustain profitability.

Our sales cycle can be long and unpredictable, particularly with respect to large enterprises, and we may have to delay revenue recognition for some of the more complex transactions, which could harm our business and operating results.

The timing of our sales is difficult to predict. Our sales efforts involve educating our customers, frequently at an executive level, about the use, potential return on investment, technical capabilities, security and other benefits of our platform. Customers often undertake a prolonged product-evaluation process which frequently involves not only our solutions but also those of our competitors. As we continue to target our sales efforts at large enterprise customers, we will face greater costs, long sales cycles and less predictability in completing some of our sales. In this market segment, the customer’s decision to subscribe to our platform may be an enterprise-wide decision and, if so, may require us to provide even greater levels of education regarding the use and benefits of our platform and obtain support from multiple departments within larger enterprises, as well as obtain support from the IT departments. In addition, prospective enterprise customers may require customized features and functions unique to their business process and may require acceptance testing related to those unique features. As a result of these factors, these sales opportunities may require us to devote greater sales support, operational support, technical support and professional services resources to individual customers, increasing costs and time required to complete sales and diverting our own sales and professional services resources to a smaller number of larger transactions, while potentially requiring us to delay revenue recognition on some of these transactions until the acceptance requirements have been met.

Our internally managed data hosting facilities expose us to additional risks which could result in operational inefficiencies, increase our costs and ultimately have a negative impact on our business.

In 2013, we completed the transition of our hosting services to internally managed hosting facilities in both the United States and Europe. These facilities are vulnerable to damage or interruption from natural disasters, fires, power loss, telecommunications failures and similar events. They are also subject to employee negligence, break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. The occurrence of any of these disasters, or other unanticipated problems, could result in lengthy interruptions in our service, which would materially impact our customers' use of our offerings and may result in financial penalties for which we will be directly and solely responsible.

In addition, we are subject to other risks and challenges inherent in managing the infrastructure that hosts our customer communities, including any failure to properly plan for our infrastructure capacity requirements and our inability to obtain and maintain the technologies and personnel necessary to cause the hosting services to operate efficiently and in accordance with our contractual commitments, including those pertaining to uptime and security.

To the extent that we are required to add data center capacity to accommodate customer demands for additional bandwidth or storage to enable their communities, we may need to significantly increase the bandwidth, storage, power or other elements of our hosting operations, and the costs associated with adjustments to our data center architecture could also negatively affect our margins and operating results.

Interruptions or delays in our service as a result of a variety of factors could impair the delivery of our service and harm our business.

The availability of our platform could be interrupted by a number of factors, including disaster events at our hosting facilities, our customers' inability to access the Internet, the failure of our network or software systems due to human or other error, security breaches or inability of the infrastructure to handle spikes in customer usage. We may be required to issue credits or refunds or indemnify or otherwise be liable to customers or third parties for damages that may occur resulting from certain of these events. For example, in December 2013, we experienced a hosting outage, which impacted several of our U.S. customers for up to 11.5 hours, as well as a shorter outage in March 2014. As a result of these outages, we provided service credits to certain customers. Service credits provided to date have not been material, both individually and in the aggregate. If we experience similar outages in the future, we may experience customer dissatisfaction, the termination of customer contracts, potential contract liability and potential loss of confidence, which could harm our reputation and impact future revenues from these customers.

A rapid expansion of our business could cause our network or systems to fail.

In the future, we may need to expand our hosting operations at a more rapid pace than we have in the past, spend substantial amounts to purchase or lease data centers and equipment, upgrade our technology and infrastructure to handle increased customer demand and introduce new solutions. For example, if we secure a large customer or a group of customers which require significant amounts of bandwidth, storage or computing power to enable their community, we may need to increase bandwidth, storage, server deployments, electrical power or other elements of our hosting operations and our existing systems may not be able to scale in a manner satisfactory to our existing or prospective customers. In addition, our sales expansion strategies in Asia and Latin America may require us to set up or partner with hosting providers in those regions, and we may have to spend substantial amounts to purchase or lease new data centers and equipment. Any such expansion could be expensive and complex and result in inefficiencies or operational failures and could reduce our margins.

If our internal or third-party vendors' security measures are breached or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, customers may reduce the use of or stop using our solutions and we may incur significant liabilities.

Our hosting operations involve the storage and transmission of customer data. In certain circumstances, we use third-party providers to assist in these operations for certain lines of our business. Security breaches or unauthorized access to customer data that we or our third-party hosting providers host could result in the misuse or loss of this information, litigation, indemnity obligations, regulatory fines and penalties and other liabilities.

Many of our customer and partner contracts provide that we assume full responsibility and will indemnify our customers for data privacy or security breaches or unauthorized access of customer data. If such a breach occurs, we could face contractual damages, damages and fees arising from our indemnification obligations, penalties for violation of applicable laws or regulations, possible lawsuits by affected individuals and significant remediation costs and efforts to prevent future occurrences. In addition, whether there is an actual or a perceived breach of our security, the market perception of the effectiveness of our security measures could be harmed significantly and we could lose current or potential customers. These risks increase with the increase in adoption by enterprise customers of cloud-based versions of our platform.

While we and our third-party vendors have security measures in place, these systems and networks are subject to ongoing threats and, therefore, these security measures may be breached as a result of third-party action, including cyber attacks or other intentional misconduct by computer hackers, employee error, failure to implement appropriate processes and procedures, malfeasance or otherwise. The frequency, severity and sophistication of these cyber attacks or other intentional misconduct by computer hackers has increased in recent periods. If any such security breaches were to occur, it could result in one or more third parties obtaining unauthorized access to our customers' data or our data, including personally identifiable information, information covered by the Health Insurance Portability and Accountability Act of 1996, intellectual property and other confidential business information. Third parties may also attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our customers' data or our data, including intellectual property and other confidential business information.

Our hosting, support and professional services personnel sometimes must access customer communities to fulfill our contractual obligations to provide these services to our customers. This access may result in exposure to confidential customer data and personally-identifiable information that is stored within our platform. If our personnel or our software systems were to permit unauthorized loss or access to this data by a third party, our reputation could be damaged and we could incur significant liability.

As described above, some of our lines of business rely on certain third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, any security or privacy breaches, or any failures in data collection could expose us to liability and harm our business and reputation. A security incident at any third-party hosting facility may compromise the confidentiality, integrity or availability of customer data.

Additionally, while our platform is not intended for the transmission or storage of credit card data, sensitive health, personal account or financial information and we contractually prohibit our customers from doing so, neither we nor our suppliers monitor or review the content that our customers upload and store within their communities. Therefore, we have no direct control over the substance or use of the content within our hosted communities. If customers use our platform for the transmission or storage of sensitive health, credit card, personal account or financial information and our security measures are breached our reputation could be damaged, our business may suffer and we could incur significant liability as many domestic and international laws place a higher burden of care on organizations that transmit and process this type of information.

Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques, to implement adequate preventative or mitigation measures or to detect any such security breaches in a timely manner. If an actual or perceived breach of our security occurs, the event could negatively impact our ability to attract new customers and increase engagement by existing customers, cause existing customers to elect to not renew their subscriptions, subject us to third-party lawsuits, regulatory fines or other action or liability, thereby harming our reputation and our operating results.

In addition, through the APIs we make available to our technology partners and through our add-on modules we produce our customers may obtain third-party applications which access the data stored within their community. Because we do not control the transmissions between our customers and these third-party technology providers, or the processing of such data by third-party technology providers, we cannot ensure the complete integrity or security of such transmissions or processing. Any security breach could result in a loss of confidence in the security of our service, damage our reputation, disrupt our business, lead to legal and financial liability and negatively impact our future sales.

Because our platform could be used to collect and store personal information of our customers' employees or customers, privacy concerns could result in additional cost and liability to us or inhibit sales of our platform.

Personal privacy has become a significant issue in the United States and in many other countries where we offer our solutions. The regulatory framework for privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. Many federal, state and foreign government bodies and agencies have adopted or are considering adopting laws and regulations regarding the collection, use, disclosure, control and deletion of personal information. In the United States, these include, without limitation, rules and regulations promulgated under the authority of the Federal Trade Commission, the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and state breach notification laws. Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal framework with which we and our customers must comply. Many of these obligations are frequently updated and require ongoing supervision. These include the Data Protection Directive established in the European Union, the Federal Data Protection Act recently passed in Germany and the European Directive 2002/58/EC (commonly known as the "EU Cookie Law") and the Personal Data Protection Ordinance recently promulgated in Hong Kong.

In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us. Because the interpretation and application of privacy and data protection laws are still uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the technological features of our solutions. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or modify our software, which could have an adverse effect on our business. Any inability to adequately address privacy concerns, even if unfounded, or comply with applicable privacy or data protection laws, regulations and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales and harm our business.

Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our platform. Privacy concerns, whether valid or not valid, may inhibit market adoption of our platform particularly in certain industries and foreign countries.

For instance, the recent publicity in the United States and abroad regarding the alleged surveillance activities of the NSA may cause our current and prospective customers to require additional information regarding our data disclosure policies which may elongate our sales cycles, require us to make additional contractual commitments, assume additional liabilities and adversely affect our billings.

If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service or adequately address competitive challenges.

We have experienced significant growth in recent periods. For example, we have grown from 527 employees at December 31, 2012 to 683 at September 30, 2014 and we have acquired six companies since January 2011. This growth has placed, and any future growth may place, a significant strain on our management and operational infrastructure, including our hosting operations and enterprise resource planning system. Our success will depend, in part, on our ability to manage these changes effectively. We will need to continue to improve our operational, financial and management controls and our reporting systems and procedures, which may include the implementation of a new enterprise resource planning system in the future. Failure to effectively manage growth could result in declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties. Any failure to effectively manage growth could adversely impact our business and reputation.

Changes in laws and/or regulations related to the Internet or related to privacy and data security concerns or changes in the Internet infrastructure itself may cause our business to suffer.

The future success of our business depends upon the continued use of the Internet as a primary medium for commerce, communication and business applications. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting data privacy and the transmission of certain types of content using the Internet. For example, the State of California has adopted legislation requiring operators of commercial websites and mobile applications that collect personal information from California residents to conspicuously post and comply with privacy policies that satisfy certain requirements. Several other U.S. states have adopted legislation requiring companies to protect the security of personal information that they collect from consumers over the Internet, and more states may adopt similar legislation in the future. Additionally, the Federal Trade Commission has used its authority under Section 5 of the Federal Trade Commission Act to bring actions against companies for failing to maintain adequate security for personal information collected from consumers over the Internet and for failing to comply with privacy-related representations made to Internet users. The U.S. Congress has at various times proposed federal legislation intended to protect the privacy of Internet users and the security of personal information collected from Internet users that would impose additional compliance burdens upon companies collecting personal information from Internet users, and the U.S. Congress may adopt such legislation in the future. The European Union also has adopted various directives regulating data privacy and security and the transmission of content using the Internet involving residents of the European Union, including those directives known as the Data Protection Directive, the E-Privacy Directive, and the Privacy and Electronic Communications Directive, and may adopt similar directives in the future. Several other countries, including Canada and several Latin American and Asian countries, have constitutional protections for, or have adopted legislation protecting, individuals' personal information. Additionally, some federal, state, or foreign governmental bodies have established laws which seek to censor the transmission of certain types of content over the Internet or require that individuals be provided with the ability to permanently delete all electronic personal information, such as the German Multimedia Law of 1997.

Given the variety of global privacy and data protection regimes, it is possible we may find ourselves subject to inconsistent obligations. For instance, the USA Patriot Act is considered by some to be in conflict with certain directives of the European Union. Situations such as these require that we make prospective determinations regarding compliance with conflicting regulations. Increased enforcement of existing laws and regulations, as well as any laws, regulations or changes that may be adopted or implemented in the future, could limit the growth of the use of public cloud applications or communications generally, result in a decline in the use of the Internet and the viability of Internet-based applications such as our public cloud solutions, require implementation of additional technological safeguards and reduce the demand for our enterprise collaboration software platform. Additionally, due to the complexity and diversity of these laws, our customers often include contractual obligations which can impose significant risk of termination and financial penalties if we fail to comply.

If we are not able to develop and introduce enhancements and new features that achieve market acceptance or that keep pace with technological developments, our business could be harmed.

We operate in a dynamic environment characterized by rapidly changing technologies and industry and legal standards. The introduction of new enterprise collaboration software solutions by our competitors, the market acceptance of solutions based on new or alternative technologies, or the emergence of new industry standards could render our platform uncompetitive of even obsolete. Our ability to compete successfully, attract new customers and increase revenues from existing customers depends in large part on our ability to enhance and improve our existing enterprise collaboration software platform and to continually introduce or acquire new features that are in demand by the market we serve. The success of any enhancement or new solution depends on several factors, including timely completion and integration, adequate quality testing, introduction and market acceptance. Any new platform or feature that we develop or acquire may not be introduced in a timely or cost-effective manner, may contain defects or may not achieve the broad market acceptance necessary to generate significant revenues. If we are unable to anticipate or timely and successfully develop or acquire new offerings or features or enhance our existing platform to meet customer requirements, our business and operating results will be adversely affected. Additionally, for technologies that are acquired, we may not be able to successfully integrate or monetize the acquired technology at a rate that is consistent with the market's expectations.

Our platform must integrate with a variety of operating systems, software applications and hardware that are developed by others and, if we are unable to devote the necessary resources to ensure that our solutions interoperate with such software and hardware, we may fail to increase, or we may lose, market share and we may experience a weakening demand for our platform.

Our enterprise collaboration software platform must integrate with a variety of network, hardware and software platforms, including Microsoft Office, and we need to continuously modify and enhance our platform to adapt to changes in Internet-related hardware, software, communication, browser and database technologies. Any failure of our solutions to operate effectively with future network platforms and technologies could reduce the demand for our platform, result in customer dissatisfaction and harm our business. If we are unable to respond in a timely manner to these changes in a cost-effective manner, our solutions may become less marketable and less competitive or obsolete and our operating results may be negatively impacted. In addition, an increasing number of individuals within the enterprise are utilizing devices other than personal computers, such as mobile phones and other handheld devices, to access the Internet and corporate resources and conduct business. If we cannot effectively make our platform available on these mobile devices, we may experience difficulty attracting and retaining customers.

We derive a substantial portion of our revenues from a single software platform.

We derive a substantial portion of our total revenues from sales of a single software platform, the Jive Platform, and related modules. As such, any factor adversely affecting sales of this platform, including product release cycles, market acceptance, product competition, performance and reliability, reputation, price competition, and economic and market conditions, could harm our business and operating results.

Our business could be adversely affected if our customers are not satisfied with our implementation, customization or other professional services we provide.

Our business depends on our ability to satisfy our customers and meet our customers' business needs. If a customer is not satisfied with the type of solutions and professional services we or our partners deliver, we could incur additional costs to remedy the situation, the profitability of that work might be impaired, and the customer's dissatisfaction with our services could damage our ability to obtain additional services from that customer or our ability to renew that customer's subscription in subsequent periods. If we are not able to accurately estimate the cost of services requested by the customer, it might result in providing services on a discounted basis or free of charge until customer satisfaction is achieved. In addition, negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers. Further, we have customer payment obligations not yet due that are attributable to software we have already delivered. These customer obligations are typically not cancelable, but will not yield the expected revenues and cash flow if the customer defaults and fails to pay amounts owed, which could have a negative impact on our financial condition and operating results.

Additionally, large enterprises may request or require customized features and functions unique to their particular business processes. If prospective large customers require customized features or functions that we do not offer, then the market for our platform will be more limited and our business could suffer. If a large enterprise contract requires customized features and functions, we cannot recognize any revenue related to the contract until the customized features and functions have been delivered to the customer. In addition, supporting large enterprise customers could require us to devote significant development services and support personnel and strain our personnel resources and infrastructure. If we are unable to address the needs of these customers in a timely fashion or further develop and enhance our platform, these customers may not renew their subscriptions, seek to terminate their relationship, renew on less favorable terms or fail to purchase additional features. If any of these were to occur, our revenues and billings may decline and we may not realize significantly improved operating results.

We might experience significant errors or security flaws in our platform.

Despite testing prior to their release, software products frequently contain undetected errors, defects or security vulnerabilities, especially when initially introduced or when new versions are released. Errors in our platform could affect the ability of our platform to work with other hardware or software products, impact functionality and delay the development or release of new solutions or new versions of solutions and adversely affect market acceptance of our platform. The detection and correction of any bugs or security flaws can be time consuming and costly. Some errors in our platform and related solutions may only be discovered after installation and use by customers. Any errors, defects or security vulnerabilities discovered after commercial release or contained in custom implementations could result in loss of revenues or delay in revenue recognition, loss of customers or increased service and warranty cost, any of which could adversely affect our business, financial condition and results of operations. Our platform has contained and may contain undetected errors, defects or security vulnerabilities that could result in data unavailability, data security breaches, data loss or corruption or other harm to our customers. Undiscovered vulnerabilities in our platform could expose them to hackers or other unscrupulous third parties who develop and deploy viruses, worms, and other malicious software programs that could attack our solutions, result in unauthorized access to customer data, or fraudulently induce individuals to provide their log-in credentials. Actual or perceived security vulnerabilities in our platform could result in contractual or regulatory liability, harm our reputation and lead some customers to cancel subscriptions, reduce or delay future purchases or use competitive solutions.

Failure to adequately expand and retain our direct sales force will impede our growth.

We will need to continue to expand and optimize our sales and marketing infrastructure in order to grow our customer base and our business. We plan to continue to invest in our direct sales force, both domestically and internationally. Identifying and recruiting qualified personnel and training them in the use of our platform require significant time, expense and attention. It can take 9 to 12 months or longer before our new sales representatives are fully trained and productive. Our business may be harmed if our efforts to expand and train our direct sales force do not generate a corresponding significant increase in billings and revenues. In particular, if we are unable to hire, develop and retain talented sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, we may not be able to realize the expected benefits of this investment or increase our billings and revenues or grow our business.

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

Our future growth will depend on our ability to enter into successful strategic relationships with third parties. For example, we are investing resources in building our indirect sales channel by establishing relationships with third parties to facilitate incremental sales and to implement and customize our platform. In addition, we are also establishing relationships with other third parties to develop integrations with compatible technology and content. These relationships may not result in additional customers or enable us to generate significant billings or revenues. Identifying partners as well as negotiating and documenting relationships with them requires significant time and resources. Our agreements for these relationships are typically non-exclusive and do not prohibit the other party from working with our competitors or from offering competing services. 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 and billings could be impaired and our operating results would suffer. In particular, leveraging third-party reseller and referral partner relationships is important to our strategy to expand our presence in the Latin America and Asia Pacific regions. If these relationships are not successful it could impede our growth in revenues and billings.

Our use of open source technology could impose limitations on our ability to commercialize our platform.

Our products contain software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain provisions that require attribution or that we make available source code for modifications or derivative works we create based upon the type of open source software used. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public at no cost. This would allow our competitors to create similar products with lower development effort and time and ultimately could result in an adverse impact upon our intellectual property rights and ability to commercialize our products.

Although we monitor our use of open source software to avoid subjecting our products to conditions we do not intend, the terms of many open source licenses have not been interpreted by United States courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we cannot assure you that our processes for controlling our use of open source software in our products will be effective. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue offering our products on terms that are not economically feasible, to re-engineer our products, to discontinue the sale of our products if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, operating results and financial condition.

We, or our customers, may be sued by third parties for alleged infringement or misuse of their intellectual property.

The software industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets and other intellectual property and proprietary rights. Recently, a number of large software, technology and social networking companies have become active in initiating litigation against competitors and other third parties for misuse of these rights. Additionally, within the United States in particular, non-practicing entities have significantly increased their activities of pursuing patent litigation against technology companies and their customers. As a result, companies such as Jive are increasingly required to defend against litigation claims that are based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims or rights against their use. As a result, our success depends upon our not infringing upon or misappropriating the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may own or claim to own confidential information or certain intellectual property. In addition, as Jive continues to expand globally, we will likely increase our headcount and, in doing so, it is possible that we will hire individuals from competing industries and companies. While we have implemented procedures designed to ensure that we do not receive confidential information from third parties, it is possible that these third parties may believe that their former employees may misuse that confidential information. Therefore, hiring these individuals may increase our risk of being the target of lawsuits relating to claims of misuse or unauthorized use of such competitors' proprietary information.

From time to time, third parties have claimed, and may claim, that we infringe upon or have misappropriated their intellectual property rights, and we may be found to be infringing upon or misappropriating such rights. In the future, we, or our customers, may be the subject of claims that our platform, underlying technology or our actions in connection therewith infringe, misappropriate or violate the intellectual property rights of others. As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. 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 solutions, or require that we comply with other unfavorable terms. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. As most of our customer and partner agreements obligate us to provide indemnification in connection with any such litigation and to obtain licenses, modify our platform, or refund fees, we have in the past been, and may in the future be, requested to indemnify our customers and business partners which could expose us to significant legal and financial liability. We expect that the occurrence of infringement claims is likely to grow as the market for enterprise collaboration software grows. Accordingly, our exposure to damages resulting from infringement claims could be increased and this could further exhaust our financial and management resources.

For example, in October 2012, Bascom Research, LLC (“Bascom”) filed a complaint for patent infringement against us, among others, in the United States District Court for the Eastern District of Virginia, captioned *Bascom Research, LLC v. Jive Software, Inc.*, Civil Case No. 1:12CV1114. In May 2013, we entered into a settlement and license agreement with Bascom. The cost of such settlement was consistent with amounts accrued for settlement and was not material to our business, financial condition, or results of operations.

The outcome of any litigation, regardless of its merits, is inherently uncertain. Any intellectual property claim or lawsuit could be time-consuming and expensive to resolve, divert management attention from executing our business plan and require us to change our technology, change our business practices and/or pay monetary damages or enter into short- or long-term royalty or licensing agreements. In addition, in certain circumstances, such as those in which the opposing parties are large and well-funded companies, we may face a more expensive and protracted path to resolution of such claims or lawsuits.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We primarily rely on a combination of copyright, trade secret and trademark laws, as well as confidentiality procedures and contractual restrictions with our employees, customers, partners and others to establish and protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate or we may be unable to secure intellectual property protection for all of our solutions. In particular, we have only recently begun to implement a strategy to seek patent protection for our technology.

Moreover, others may independently develop technologies that are competitive to ours or infringe our intellectual property. The enforcement of our intellectual property rights also depends on our legal actions against these infringers being successful, but we cannot be sure these actions will be successful, even when our rights have been infringed. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business and operating results might be harmed. In addition, defending our intellectual property rights might entail significant expense and the diversion of management resources. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation. 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. Effective protection of our intellectual property may not be available to us in every country in which our solutions 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. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

Additionally, in the United States, the central provisions of the Leahy-Smith America Invents Act (AIA) became effective on March 16, 2013. Among other things, this law has switched U.S. patent rights from prior “first-to-invent” system to the present “first inventor-to-file” system. This may result in inventors and companies having to file patent applications more frequently to preserve rights in their inventions. This may favor larger competitors that have the resources to file more patent applications.

We might be required to spend significant resources to monitor and protect our intellectual property rights, and our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Litigation to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management, whether or not it is resolved in our favor, and could ultimately result in the impairment or loss of portions of our intellectual property.

Weakened global economic conditions may adversely affect our industry, business and results of operations in ways that may be hard to predict or defend against.

Our overall performance depends in part on domestic and worldwide economic conditions, which may remain challenging for the foreseeable future. Financial developments seemingly unrelated to us or to our industry may adversely affect us over the course of time. The United States and other key international economies, particularly Europe, have been impacted by threatened sovereign defaults and ratings downgrades, falling demand for a variety of goods and services, restricted credit, going concern threats to major multinational companies, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty. These conditions and their continued deterioration, particularly in Europe, affect the rate of information technology spending and have adversely affected, and could continue to adversely affect, our customers' ability or willingness to purchase our enterprise collaboration software platform, and could delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions, or affect renewal rates, all of which could adversely affect our operating results. We cannot predict the timing, strength or duration of the economic recovery or any subsequent economic slowdown, worldwide, in the United States, or in our industry.

Catastrophic events may disrupt our business.

Our corporate headquarters are located in Palo Alto, California, a high portion of our technology and services personnel are located in our Portland, Oregon office, and we have transitioned our United States data centers to a co-located facility located along the West Coast of the United States. The West Coast, and California in particular, are active earthquake zones. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems and our website for our development, marketing, operational, support, hosted services and sales activities. In the event of a major earthquake or catastrophic event such as fire, power loss, telecommunications failure, cyber attack, war or terrorist attack, we may be unable to continue our corporate operations and may endure system interruptions, reputational harm, loss of intellectual property, contractual and financial liabilities, delays in our product development, lengthy interruptions in our services, breaches of data security and loss of critical data, all of which could harm our future operating results.

Although we back up customer data stored on our systems at least daily to a geographically distinct location, the data is not mirrored in real-time to this site. Thus, in the event of a physical disaster, or certain other failures of our computing infrastructure, customer data from very recent transactions may be permanently lost. Further, our full production infrastructure is not mirrored to a geographically distinct location and thus in the event of a disaster, production capacity may be impacted for an extended amount of time while the infrastructure is procured and rebuilt and data is restored.

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

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new solutions or enhance our existing solutions, enhance our operating infrastructure and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, operating results, financial condition and prospects could be adversely affected.

The forecasts of market growth included in this document may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, we cannot assure you our business will grow at similar rates, if at all.

Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. Forecasts relating to the expected growth in the enterprise collaboration software market and other markets may prove to be inaccurate. Even if these markets experience the forecasted growth, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

There are limitations on the effectiveness of controls and the failure of our control systems may materially and adversely impact us.

We do not expect that disclosure controls or internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially and adversely impact us.

The intended operational and tax benefits of our corporate structure and intercompany arrangements depend on the application of the tax laws of various jurisdictions and how we operate our business, and may be challenged by tax authorities.

Our corporate structure and intercompany agreements with our foreign subsidiaries are intended to optimize our operating structure and our worldwide effective tax rate, including the manner in which we develop and use our intellectual property, manage our cash flow, and the pricing of our intercompany transactions. Our foreign subsidiaries operate under cost plus transfer pricing agreements with us. These agreements provide for sales, support and development activities for our benefit. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing technology or our transfer pricing arrangements, or determine that the manner in which we operate our business does not achieve the intended tax objectives, which could increase our international tax exposure and harm our operating results. For example, from May 2012 through June 30, 2013, we were under a United States federal tax examination for the tax years ending December 31, 2010 and 2011. Such examinations ended on June 13, 2013 and did not have a material financial impact. Further, at September 30, 2014, we were under examination in Israel for the years ending December 31, 2010, 2011 and 2012.

Because competition for our target employees is intense, we may not be able to attract and retain the highly skilled employees we need to support our operations and growing customer base.

Our future success will depend on our continued ability to identify, hire, develop, motivate and retain talent. In the software industry in general, and in the San Francisco Bay Area specifically, there is substantial and continuous competition for software engineers with high levels of experience in designing, developing and managing software, 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 addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If the value of our stock does not increase or declines, it may adversely affect our ability to retain highly skilled employees. In addition, since we expense all stock-based compensation, we may periodically change our stock compensation practices, which may include reducing the number of employees eligible for options or reducing the size of equity awards granted per employee. If the anticipated value of such stock-based incentive awards does not materialize, if our stock-based compensation otherwise ceases to be viewed as a valuable benefit, or if our total compensation package is not viewed as being competitive, our ability to attract, retain, and motivate executives and key employees could be weakened. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

Our business could be negatively affected as a result of actions of activist shareholders.

If a proxy contest with respect to election of our directors is initiated in the future by any activist stockholder, or if other activist stockholder activities occur, our business could be adversely affected because:

- responding to a proxy contest and other actions by activist stockholders can be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees;
- perceived uncertainties as to our future direction caused by activist activities may result in the loss of potential business opportunities, and may make it more difficult to attract and retain qualified personnel and business partners; and
- if individuals are elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively and timely implement our strategic plans.

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

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing requirements of the Nasdaq Global Market on which our common stock trades and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly now that we are no longer an "emerging growth company" as defined in the recently enacted Jumpstart Our Business Startups Act of 2012, or the JOBS Act. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

Since we had previously qualified as an "emerging growth company" as defined in the JOBS Act, we were able to take advantage of certain exemptions from various requirements that are applicable to public companies. These exemptions included not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We are no longer able to take advantage of these exemptions, as, on December 31, 2013, we lost our status as an "emerging growth company." Our inability to continue to take advantage of these exemptions may place additional strain on our resources and divert our management's attention from other business concerns which could harm our business and operating results.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

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

If we are unable to maintain effective internal control over financial reporting in the future, investors may lose confidence in our company and, as a result, the value of our common stock may be adversely affected.

We are subject to Section 404 of the Sarbanes-Oxley Act, which requires us to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. We have consumed and will continue to consume management resources and incur expenses for this compliance on an ongoing basis. Additionally, if we identify one or more material weaknesses in our internal control over financial reporting, we may be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors are unable to attest to management's report on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on the price of our common stock.

Risk Related to Ownership of our Common Stock

The market price of our common stock is likely to be volatile and could subject us to litigation.

The trading prices of the securities of technology companies have been highly volatile. Accordingly, the market price of our common stock has been, and is likely to continue to be, subject to wide fluctuations. Factors affecting the market price of our common stock include:

- variations in our billings, renewal rates, operating results, cash flow, loss per share and how these results compare to analyst expectations;
- the net increase in the number of customers acquired, either independently or as compared with published expectations of analysts that cover us;
- forward looking guidance on billings, revenues, cash flows and loss per share;
- announcements of technological innovations, new products or services, strategic alliances or significant agreements by us or by our competitors;
- disruptions in our public cloud service;
- changes in the executive management team;
- the economy as a whole, market conditions in our industry, and the industries of our customers; and
- any other factors discussed herein.

In addition, if the market for technology stocks, especially social media related 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 for our 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. Some companies that have experienced volatility in the trading price of their stock have been subject of securities litigation. If we are the subject of such litigation, it could result in substantial costs and a diversion of management's attention and resources.

Our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

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

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

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time.

Table of Contents

Item 6. Exhibits

The following exhibits are filed herewith or incorporated by reference hereto and this list is intended to constitute the exhibit index:

3.1	Amended and Restated Certificate of Incorporation.(1)
3.2	Amended and Restated Bylaws.(2)
10.1*	Amended and Restated Change of Control and Retention Agreement for John McCracken dated January 13, 2014.
10.2*	Transition Agreement, dated November 3, 2014, by and between the Company and Anthony Zingale.
10.3*	Amended and Restated Offer Letter, dated November 3, 2014, by and between the Company and Elisa Steele.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Furnished herewith.

(1) Incorporated by reference to Exhibit 3.2 to Form S-1 file number 333-176483 as declared effective by the Securities and Exchange Commission on December 12, 2011.

(2) Incorporated by reference to Exhibit 3.4 to Form S-1 file number 333-176483 as declared effective by the Securities and Exchange Commission on December 12, 2011.

SIGNATURES

Pursuant to the requirements 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.

JIVE SOFTWARE, INC.

Dated: November 6, 2014

/s/ ANTHONY ZINGALE
Anthony Zingale
Chief Executive Officer
(Principal Executive Officer)

/s/ BRYAN LEBLANC
Bryan LeBlanc
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

JIVE SOFTWARE, INC.
AMENDED AND RESTATED CHANGE OF CONTROL AND RETENTION AGREEMENT

This Amended and Restated Change of Control and Retention Agreement (the "**Agreement**") is made and entered into by and between John McCracken (the "**Employee**") and Jive Software, Inc. (the "**Company**"), effective on January 13, 2014 (the "**Effective Date**").

RECITALS

It is possible that the Company may from time to time receive acquisition proposals by other entities. The Compensation Committee of the Board of Directors of the Company (the "**Committee**") recognizes that consideration of any such proposals can be a distraction to the Employee and can cause the Employee to consider alternative employment opportunities. The Committee has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of the Employee, notwithstanding the possibility, threat or occurrence of a "Change of Control" (as defined herein) of the Company.

The Committee believes that it is in the best interests of the Company and its stockholders to provide the Employee with an incentive to continue his or her employment and to motivate the Employee to maximize the value of the Company upon a Change of Control for the benefit of its stockholders.

On December 12, 2011, the Company and Employee entered into a change of control and retention agreement (the "**Original COC Agreement**") that provided the Employee with certain benefits upon the Employee's termination of employment following a Change of Control.

The Committee believes that it is in the best interest of the Company to amend the Original COC Agreement to provide the Employee with certain additional benefits. These benefits will provide the Employee with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change of Control.

This Agreement also consolidates the documentation of severance benefits to which the Employee may be entitled in the event of the Employee's termination of employment with the Company under specified circumstances not in connection with a Change of Control.

Certain capitalized terms used in the Agreement are defined in Section 5 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Term of Agreement**. This Agreement shall commence on the date hereof and shall continue in effect until the earlier of (i) the termination of Employee's employment with the Company for any reason other than within twelve (12) months after a Change of Control; (ii) the Company's satisfaction of all of its obligations under this Agreement; or (iii) the execution of a written agreement between the Company and Employee terminating this Agreement.

2. **At-Will Employment**. The Company and the Employee acknowledge that the Employee's employment is and shall continue to be at-will, as defined under applicable law, except as otherwise may be provided specifically under the terms of any written formal employment agreement or offer letter between the Company and the Employee (an "**Employment Agreement**"). If the Employee's employment terminates for any reason, including (without limitation) any termination prior to a Change of Control, the Employee shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement, the Employment Agreement or as may otherwise be available in accordance with the Company's established employee plans.

3. **Severance Benefits**.

(a) In addition to the benefits described below or in the Employment Agreement, the Employee will be entitled to receive payment for:

(i) Accrued Salary and Vacation. All salary and accrued vacation earned through the Termination Date, less applicable federal and state withholding.

(ii) Expense Reimbursement. Within thirty (30) days of submission of proper expense reports by the Employee, the Company shall reimburse the Employee for all expenses incurred by the Employee, consistent with past practices, in connection with the business of the Company prior to the Employee's termination of employment.

(iii) Employee Benefits. Benefits, if any, under any 401(k) plan, nonqualified deferred compensation plan, employee stock purchase plan and other Company benefit plans under which the Employee may be entitled to benefits, payable pursuant to the terms of such plans.

(b) Involuntary Termination other than for Cause or Resignation for Good Reason. If (i) the Employee resigns his or her employment with the Company (or any parent or subsidiary of the Company) for "Good Reason" (as defined herein), or (ii) the Company (or any parent or subsidiary of the Company) terminates the Employee's employment for other than "Cause" (as defined herein), and the Employee (X) complies with the Company's sub-certification requirements that have been implemented to ensure compliance with the Sarbanes Oxley Act 2002 in form and substance determined by the Company in its complete discretion, and (Y) signs and does not revoke a standard release of claims with the Company in a form substantially similar to that attached hereto as Exhibit A (a "**Release**"), then the Employee shall receive the following severance benefits from the Company:

(i) Severance Payment. Employee shall receive a lump-sum severance payment (less applicable tax withholding) equal to twelve (12) months of the Employee's Base Salary.

(ii) Additional Severance Payment. Employee shall receive a lump sum cash payment equal to twelve (12) multiplied by the cost of a single month of COBRA coverage at the rates in effect on the date of termination. If such coverage included the Employee's dependents immediately prior to the Employee's termination of employment with the Company, such payment shall also include the cost of COBRA coverage for the Employee's dependents.

(iii) Equity Awards. With respect to Employee's then-outstanding equity awards covering shares of the Company's common stock ("**Equity Awards**"), fifty percent (50%) of the total number of shares subject to each such Equity Award at the time of its grant shall vest as of the date of termination but only if such termination occurs on or within the period ending twelve (12) months following the Change of Control Date.

(c) Timing of Severance Payments. Other than with respect to the payments made under Section 3(a), the severance payments to which the Employee is entitled (including, for the avoidance of doubt, any vesting acceleration pursuant to Section 4(b) of this Agreement) will be subject to the Employee signing and not revoking the Release and provided that such Release is effective within sixty (60) days following the termination of employment. Such payments will be made to the Employee in cash and in full, not later than seven (7) calendar days after the effective date of any Release. In the event the termination occurs at a time during the calendar year where it would be possible for the Release to become effective in the calendar year following the calendar year in which the Employee's termination occurs, any severance that would be considered Deferred Compensation Separation Benefits (as defined in Section 3(f)) will be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or such later time as required by the payment schedule applicable to each payment or benefit, or Section 3(f).

(d) Voluntary Resignation; Termination for Cause, Death or Disability. If the Employee's employment with the Company terminates (i) voluntarily by the Employee other than for Good Reason or Disability, (ii) for Cause by the Company, or (iii) pursuant to the Employee's death or Disability, then the Employee shall not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

(e) Exclusive Remedy. In the event of a termination of the Employee's employment, the provisions of this Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which the Employee or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. The Employee shall be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in this Section 3.

(f) Code Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, if the Employee is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the final regulations and any guidance promulgated thereunder ("**Section 409A**") at the time of the Employee's termination (other than due to death) or resignation, then the severance payable to the Employee, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Compensation Separation Benefits**") that are payable within the first six (6) months following the Employee's termination of employment, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of the Employee's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Employee dies following his or her termination but prior to the six (6) month anniversary of his or her termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Employee's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. "**Section 409A Limit**" will mean the lesser of two (2) times: (i) the Employee's annualized compensation based upon the annual rate of pay paid to the Employee during the Employee's taxable year preceding the Employee's taxable year of the Employee's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Employee's employment is terminated.

(iv) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and the Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to the Employee under Section 409A.

4. **Retention Benefits.**

(a) Additional Equity Awards. On the Effective Date, Employee was granted 80,000 RSUs. 40,000 of the RSUs will vest each fiscal quarter over a four year period commencing after the quarter ended June 30, 2014, subject to his continued employment through each vesting date. 40,000 of the RSUs will vest over a multi-year period based on the achievement of performance objectives established by the compensation committee of the Board of Directors.

(b) Future Equity Awards. If the Employee remains continuously employed with the Company through each of the first two quarters of the Company's fiscal 2014 year, the Employee will receive on the last business day of each such quarter a grant of 50,000 RSUs that are fully vested upon grant and will be settled to the Employee as soon as practicable after the grant date.

(c) Equity Award Acceleration. Upon the earlier of (i) the date the Employee's employment with the Company terminates or (ii) June 30, 2014 (the "**Acceleration Trigger Date**"), 40,000 of the Employee's then unvested restricted stock units (the "**RSUs**") covering shares of the Company's common stock will immediately vest and become settled to the Employee as soon as practicable thereafter. For purposes of clarity the RSUs that vest pursuant to this Section 4(c) will be the last RSUs that are scheduled to vest pursuant to the original vesting schedule(s) applicable to the Employee's RSU award(s). The Employee's remaining unvested RSUs will continue to vest in the same amount(s) and at the same time(s) pursuant to their original vesting schedule, subject to the Employee remaining in service with the Company or any subsidiary of the Company through each applicable vesting date. Notwithstanding the foregoing, if, on the date the Employee's employment terminates, such termination otherwise would result in the Employee becoming entitled to the vesting acceleration benefits under Section 3(b)(iii) and this Section 4(c) of the Agreement, the Employee will be entitled to benefits under both sections to the extent they do not result in a duplication benefits.

5. **Golden Parachute Excise Tax Best Results.** In the event that the severance and other benefits provided for in this Agreement or otherwise payable to the Employee (X) constitute "parachute payments" within the meaning of Code Section 280G, and (Y) would be subject to the excise tax imposed by Section 4999 of the Code, then such benefits shall be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999, results in the receipt by the Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Unless the Company and the Employee otherwise agree in writing, the determination of the Employee's excise tax liability and the amount required to be paid under this Section 5 shall be made in writing by a nationally-recognized independent accounting firm selected by the Company (the "**Accountants**"). For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 5. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction in payments and/or benefits required by this Section 5 shall occur in the following order: (i) reduction of cash payments; (ii) reduction of acceleration of vesting of equity awards; and (iii) reduction of other benefits paid to the Employee. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant for the Employee's equity awards.

6. **Definition of Terms.** The following terms referred to in this Agreement shall have the following meanings:

(a) Base Salary. Base Salary means:

(i) with respect to payments set forth in Section 3(c) above, the rate of annual base salary paid to the Employee immediately prior to a Change of Control, provided that such amount shall in no event be less than the highest rate of annual base salary paid to the Employee during the one (1) year period immediately prior to the Change of Control; or

(ii) with respect to payments set forth in Section 3(b) above, the rate of annual base salary paid to the Employee immediately prior to the termination of the Employee's employment, provided that such amount shall in no event be less than the highest rate of annual base salary paid to the Employee during the one (1) year period immediately prior to the termination of employment.

(b) Cause. Cause means:

(i) The Employee's commission of an act of material fraud or dishonesty against the Company;

(ii) Any intentional refusal or willful failure to carry out the reasonable instructions of the Chief Executive Officer or the Board of Directors;

(iii) The Employee's conviction of, guilty plea or "no contest" plea to a felony or to a misdemeanor involving moral turpitude. Moral turpitude means so extreme a departure from ordinary standards of honesty, good morals, justice, or ethics as to be shocking to the moral sense of the community;

(iv) The Employee's gross misconduct in connection with the performance of his or her duties;

(v) The Employee's improper disclosure of confidential information or violation of material Company policy or the Company code of ethics;

(vi) The Employee's breach of his or her fiduciary duty to the Company; or

(vii) The Employee's failure to cooperate with the Company in any investigation or formal proceeding or the Employee being found liable in a Securities and Exchange Commission enforcement action or otherwise being disqualified from serving in his or her role.

(c) Change of Control. Change of Control means the occurrence of any of the following, in one or a series of related transactions:

(i) The shareholders of the Company approve one of the following:

(1) Any merger or statutory plan of exchange involving the Company ("**Merger**") in which the Company is not the continuing or surviving corporation or pursuant to which Common Stock would be converted into cash, securities or other property, other than a Merger involving the Company in which the holders of Common Stock immediately prior to the Merger continue to represent more than fifty percent (50%) of the voting securities of the surviving corporation after the Merger; or

(2) Any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company.

(ii) A tender or exchange offer, other than one made by the Company, is made for Common Stock (or securities convertible into Common Stock) and such offer results in a portion of those securities being purchased and the offeror after the consummation of the offer is the beneficial owner (as determined pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), directly or indirectly, of securities representing more than fifty percent (50%) of the voting power of outstanding securities of the Company.

(iii) The Company receives a report on Schedule 13D of the Exchange Act reporting the beneficial ownership by any person of securities representing more than fifty percent (50%) of the voting power of outstanding securities of the Company, except that if such receipt shall occur during a tender offer or exchange offer described in clause (ii) above, a Change of Control shall not take place until the conclusion of such offer.

(d) Change of Control Date. Change of Control Date means the date on which a Change of Control occurs.

(e) Disability. Disability means:

(i) the Employee has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Employee's duties;

(ii) such total incapacity shall have continued for a period of six (6) consecutive months; and

(iii) such incapacity will, in the opinion of a qualified physician selected by the Company, be permanent and continuous during the remainder of the Employee's life.

(f) Good Reason. Good Reason means any of the following that occur without the Employee's consent:

(i) a material reduction of the Employee's Base Salary, excluding any reduction generally applicable to senior executives;

(ii) a material reduction in the Employee's Target Incentive Compensation, excluding any reduction generally applicable to senior executives;

(iii) a material reduction in the Employee's title, including for the avoidance of doubt, his current title being made less significant because of the hiring of a new Chief Marketing Officer to whom he will be reporting;

(iv) a material change in the Employee's reporting position such that Employee no longer reports to the same manager;

(v) a material reduction in the Employee's duties or responsibilities; or

(vi) requiring the Employee to relocate to a location more than thirty-five (35) miles from his or her then current office location,

provided, *however*, that Good Reason shall not exist unless the Employee has provided the Company with written notice of the purported grounds for such Good Reason within six (6) months of its initial existence and such purported grounds, after good faith negotiations, are not cured within thirty (30) days of the Company's receipt of such written notice.

(g) Service Term. Service Term means, as of a particular date, the period of time that the Employee has been continuously employed by the Company as an employee in any capacity.

(h) Target Incentive Compensation. Target Incentive Compensation means the then-current incentive compensation target (percentage multiplied by salary or dollar figure) as set forth in the Employee's then-current incentive compensation plan established for the Employee by the Compensation Committee or other party with the authority to establish such incentive compensation target.

7. **Successors**.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise), shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) The Employee's Successors. The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. **Notice**.

(a) General. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by registered mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to the Employee, at his or her last known residential address, and (ii) if to the Company, at the address of its principal corporate offices (attention: General Counsel), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

(b) Notice of Termination. Any termination by the Company for Cause or resignation by the Employee voluntarily or for Good Reason shall be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice shall indicate the specific termination provision in this Agreement relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date (which shall be not more than thirty (30) days after the giving of such notice). The failure by the Employee to include in the notice any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Employee hereunder or preclude the Employee from asserting such fact or circumstance in enforcing his or her rights hereunder.

9. **Miscellaneous Provisions**.

(a) Confidentiality. The Employee shall retain in confidence under the conditions of the Company's confidentiality agreement with the Employee any proprietary or other confidential information known to the Employee concerning the Company and its business so long as such information is not publicly disclosed and disclosure is not required by an order of any governmental body or court. If required, the Employee shall return to the Company any memoranda, documents or other materials proprietary to the Company. The Employee shall be specifically required to continue to comply with the terms of any Employee Inventions and Proprietary Rights Assignment Agreement including its provisions regarding the use of the Company's trade secrets and/or confidential information to directly or indirectly request, induce or attempt to influence any past, current or future customer of the Company, or any current or future supplier of goods or services to the Company, to avoid, curtail or cancel any business it transacts with the Company and such agreement is hereby incorporated by reference.

(b) Non-Solicitation. While employed by the Company and for a period of two (2) years following the termination of such employment after a Change of Control, the Employee shall not directly or indirectly request, induce or attempt to influence any current or future employee of, or independent contractor or consultant to, the Company to terminate his or her employment with or services to the Company.

(c) The Employee acknowledges that a breach of any of the covenants contained in Sections 9(a) and (b) may result in material irreparable injury to the Company for which there is no adequate remedy at law, that it may not be possible to measure damages for such injuries precisely and that, in the event of such a breach, any payments remaining under the terms of this Agreement shall cease and the Company may be entitled to obtain a restraining order and/or an injunction restraining the Employee from engaging in activities prohibited by these Sections 9(a) and (b) or such other relief as may be required to specifically enforce any of the covenants in these Sections 9(a) and (b). This Section 9(c) shall survive any termination of this Agreement.

(d) Conflict in Benefits; Nonduplication of Benefits.

(i) No Limitation of Regular Benefit Plans. Except as provided in Section 9(d)(ii) below, this Agreement is not intended to and shall not affect, limit or terminate any plans, programs, or arrangements of the Company that are regularly made available to a significant number of employees or officers of the Company, including, without limitation, the Company's stock option plans.

(ii) Nonduplication of Benefits. The Employee may not accumulate cash severance payments, and/or equity vesting under both this Agreement and another plan or policy of the Company. If the Employee has any other binding written agreement with the Company which provides that upon a termination of employment or change of control the Employee shall receive termination or change of control benefits, then the Employee's execution of this Agreement is a complete and unconditional waiver of such rights to such benefits and this Agreement shall provide the acceleration described herein with respect to existing equity awards. If the Employee is entitled to any payments or benefits by operation of a statute or government regulations, any severance payable pursuant to this Agreement will be reduced by such payments or benefits.

(e) No Duty to Mitigate. The Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other source.

(f) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(g) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(h) Entire Agreement. This Agreement together with the Employment Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, including the Original COC Agreement, and shall specifically supersede any severance payment provisions of any other offer letter or agreement entered into between the Employee and Company, and this Agreement with respect to the subject matter hereof.

(i) No Oral Modification. This Agreement may only be amended in writing signed by the Employee and the Chief Executive Officer or his or her designee.

(j) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof in such jurisdiction, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(k) Arbitration. Any dispute, controversy or claim between the parties arising out of or relating to this Agreement (whether based in contract or tort, in law or equity), or any breach or asserted breach thereof, shall be determined and settled exclusively by arbitration in San Jose, California, in accordance with the rules for dispute resolution of JAMS. Judgment on the award may be entered in any court of competent jurisdiction. Notwithstanding this Section 9(k), the parties may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction or other interim or provisional relief as may be necessary, without breach of this Agreement and without abridgment of the powers of the arbitrator. The parties hereby submit themselves to the Superior Court of California in and for the County of Santa Clara as the sole and exclusive venue for the purpose of enforcing this Agreement. This Section 9(k) shall survive any termination of this Agreement.

(l) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(m) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

Jive Software, Inc.

By: Vicki Ryan
Title: Chief People Officer
Date: 1/13/14

John McCracken

Signature: John McCracken
Date: 1/13/14

EXHIBIT A

Jive Software, Inc.

RELEASE OF CLAIMS

This Release of Claims ("**Agreement**") is made by and between Jive Software, Inc. (the "**Company**"), and _________("**Employee**").

WHEREAS, Employee has agreed to enter into a release of claims in favor of the Company upon certain events specified in the Change of Control and Retention Agreement by and between Company and Employee (the "**Change of Control Agreement**");

NOW, THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. Termination. Employee's employment from the Company terminated on _________.

2. Confidential Information. Employee shall retain in confidence under the conditions of the Company's confidentiality agreement with Employee any proprietary or other confidential information known to Employee concerning the Company and its business so long as such information is not publicly disclosed and disclosure is not required by an order of any governmental body or court. If required, Employee shall return to the Company any memoranda, documents or other materials proprietary to the Company. Employee shall be specifically required to continue to comply with the terms of any Employee Inventions and Proprietary Rights Assignment Agreement and such agreement is hereby incorporated by reference.

3. Payment of Salary. Employee acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Employee.

4. Release of Claims. Except as set forth in the last paragraph of this Section 4, Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company. Employee, on behalf of him- or herself, and Employee's respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns, from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,

(a) any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

(b) any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, The Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, and Labor Code section 201, et seq. and section 970, et seq. and all amendments to each such Act as well as the regulations issued thereunder;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(g) any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any severance obligations due Employee under the Change of Control and Retention Agreement. Nothing in this Agreement waives Employee's rights to indemnification or any payments under any fiduciary insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance.

5. <u>Acknowledgment of Waiver of Claims under ADEA</u>. Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("**ADEA**") and that this waiver and release is knowing and voluntary. Employee and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has at least twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement shall not be effective until the revocation period

has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to the Vice-President of Human Resources at the Company by close of business on the seventh (7th) day from the date that Employee signs this Agreement.

6. Civil Code Section 1542. Employee represents that Employee is not aware of any claims against the Company other than the claims that are released by this Agreement. Employee acknowledges that Employee has been advised by legal counsel and is familiar with the provisions of California Civil Code 1542, below, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder, as well as under any statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

8. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, its subsidiaries, or any successor, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company.

9. No Cooperation. Employee agrees that Employee will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so.

10. No Admission of Liability. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made, or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to the Employee or to any third party.

11. Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. Authority. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

13. No Representations. Employee represents that Employee has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

14. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. Entire Agreement. This Agreement, along with the Change of Control Agreement, the Employee Inventions and Proprietary Rights Assignment Agreement, and Employee's written Equity Award agreements with the Company, represents the entire agreement and understanding between the Company and Employee concerning Employee's separation from the Company.

16. No Oral Modification. This Agreement may only be amended in writing signed by Employee and the Chief Executive Officer or his or her designee.

17. Governing Law. This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of California and its enforceability shall be subject to Section 8(k) of the Change of Control Agreement.

18. Effective Date. This Agreement is effective eight (8) days after it has been signed by both Parties.

19. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have had the opportunity of being represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains; and

(d) They are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Jive Software, Inc.

By: ________________________ Dated: ________________________

____________, an individual

By: ________________________ Dated: ________________________

Exhibit 10.2

JIVE SOFTWARE
TRANSITION AGREEMENT
for
Anthony Zingale

This Transition Agreement ("**Agreement**") is made by and between Anthony Zingale ("**Executive**") and Jive Software, Inc. (the "**Company**"; the Company and Executive are collectively referred to as the "**Parties**" or individually referred to as a "**Party**").

RECITALS

WHEREAS, Executive has been serving as the Company's Chief Executive Officer and Chairman of the Company's Board of Directors (the "**Board**");

WHEREAS, the Parties wish to provide for Executive's orderly transition of his day-to-day duties as chief executive officer of the Company and wish to continue Executive's employment with the Company as Executive Chairman through November 10, 2015 (the "**Transition Period**") pursuant to the terms of this Agreement; and

WHEREAS, the Parties mutually desire to have the Executive remain on the Board and provide substantial services as Executive Chairman pursuant to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

AGREEMENT

1. Title and Duties.

(a) Transition. As of November 10, 2014 (the "**Effective Date**"), Executive will voluntarily resign as Chief Executive Officer of the Company and will continue his employment with the Company as Executive Chairman during the Transition Period. As Executive Chairman, Executive will render such business and professional services in the performance of his duties as are set forth on Exhibit A attached hereto, and such other duties, consistent with such position, as may be reasonably be assigned to him by the Board from time-to-time. During the Transition Period, Executive will perform his duties faithfully and to the best of his ability. For the duration of the Transition Period, Executive agrees not to actively engage in any other employment, occupation or consulting activity for any direct or indirect remuneration without the prior approval of the Board; provided, however, that Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. At the end of the Transition Period, Executive's employment with the Company will terminate unless the Parties mutually agree in writing otherwise. Notwithstanding anything herein to the contrary, Executive's employment with the Company during the Transition Period shall continue to be at-will and may be terminated by either Party at any time with or without cause. The actual date of Executive's termination of employment is referred to hereunder as the "**Separation Date.**"

(b) Member of the Board of Directors. As of and following the Effective Date, Executive will continue to serve as Chairman and member of the Board, subject any required approval by the Company's stockholders.

(c) Resignation as an Officer. On the Effective Date, Executive will be deemed to have resigned from his employment as an officer of the Company and its subsidiaries voluntarily, without any further required action by the Executive; provided however, if the Company requests, Executive will execute any documents necessary to reflect his resignation. After the Effective Date, Executive will not be an officer of the Company or any of its subsidiaries, although he agrees to certify the Company's financial statements for the third fiscal quarter of 2014.

2. Compensation.

(a) Cash Compensation.

(i) During the Transition Period, the Company will pay Executive as compensation for his services a base salary at his current annualized rate of $450,000 (the "**Base Salary**"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and be subject to the usual, required withholding.

(ii) If the Separation Date occurs before the end of the Transition Period, Executive will be eligible to receive any accrued but unpaid Base Salary. In addition, if the Separation Date occurs after January 1, 2015 and before the end of the Transition Period for any reason other than a termination by the Company for Cause, and, subject to Executive signing and not revoking a release of claims in a form reasonably satisfactory to the Company (the "**Release**") within 60 days following the termination date (the "**Release Deadline**"), Executive will continue to receive payments of his Base Salary through the end of the Transition Period. Such payments will commence not later than 7 calendar days after the effective date of the Release and include any payments that otherwise would have been made during such 60-day period, and will continue thereafter in accordance with the Company's normal payroll practices through the next Company payroll date following November 14, 2015.

(iii) For purposes of this Agreement, "**Cause**" means:

(1) Executive's commission of an act of material fraud or dishonesty against the Company;

(2) Any intentional refusal or willful failure to carry out the reasonable instructions of the Chief Executive Officer or the Board of Directors;

(3) Executive's conviction of, guilty plea or "no contest" plea to a felony or to a misdemeanor involving moral turpitude. Moral turpitude means so extreme a departure from ordinary standards of honesty, good morals, justice, or ethics as to be shocking to the moral sense of the community;

(4) Executive's gross misconduct in connection with the performance of his duties;

(5) Executive's improper disclosure of confidential information or violation of material Company policy or the Company code of ethics;

(6) Executive's breach of his fiduciary duty to the Company; or

(7) Executive's failure to cooperate with the Company in any investigation or formal proceeding or Executive's being found liable in a Securities and Exchange Commission enforcement action or otherwise being disqualified from serving in his or her role.

(b) Equity Awards.

(i) During the Transition Period, Executive will continue to vest in his outstanding Company equity awards to acquire shares of the Company's common stock that are listed on Exhibit B attached hereto (each, an "**Equity Award**") in accordance with the existing vesting schedule of each Equity Award, including that he continue to provide services to the Company through the applicable vesting date.

(ii) Except as otherwise provided in Section 2(b)(iii), at the end of the Transition Period, the shares subject to the portion of each Equity Award identified under the column "To Be Cancelled at 11/10/2015" on Exhibit B will immediately be forfeited and treated as called for under the terms of the plan under which it was granted.

(iii) Notwithstanding anything to the contrary, 100% of the then-unvested portion of each Equity Award will vest and, to the extent applicable, become exercisable as of the earlier of any of the following events occurring before the end of the Transition Period: (i) Executive's death or (ii) immediately prior to a Change in Control (as defined in by the Company equity incentive plan under which such Equity Award is granted) as long as Executive is actively providing services to the Company as of such time. In addition, in the event of Executive's termination as a Company service provider occurring after January 1, 2015, for any reason other than a termination by the Company for Cause or due to Executive's death, and subject to Executive signing and not revoking a Release by the Release Deadline, then 100% of the then-unvested portion of each Equity Award, less that portion identified under the column "To Be Cancelled at 11/10/2015 or Termination" on Exhibit B, will vest and, to the extent applicable, become exercisable and the portion identified under the column "To Be Cancelled at 11/10/2015 or Termination" will immediately be forfeited and treated as called for under the terms of the plan under which the applicable Equity Award was granted. Upon Executive's termination by the Company for Cause before the end of the Transition Period, the then-unvested portion of each Equity Award will immediately be forfeited and treated as called for under the terms of the plan under which the applicable Equity Award was granted. For any Equity Award for which vesting is determined based on the achievement of performance criteria, the performance criteria will be treated as achieved at 100% of target levels under this subsection. Except as set forth in this Section 2(b) and Section 2(c) below, each Equity Award will continue to be subject to the terms and conditions of the applicable Company equity incentive plan and the award agreement under which it was granted (collectively, the "**Equity Agreements**").

(c) Option Exercise Period. The exercise period for each of Executive's outstanding options to acquire shares of the Company's common stock will remain exercisable until the earlier of (i) the four (4)-year anniversary of the Effective Date and (ii) the original expiration date of the applicable option grant, in each case, subject to earlier termination under the terms of the applicable Company equity plan under which the option was granted.

(d) Standard Company Benefits. During the Transition Period, Executive will be entitled to participate in all employee benefit programs for which Executive is eligible under the terms and conditions of the benefit plans that may be in effect from time to time and provide by the Company to its senior executives. The current benefits includes the following: medical insurance, dental insurance, life insurance, FlexTime, 401(k), and paid holidays. The standard Company benefits offerings may, at the Company's discretion, be changed from time to time.

(e) Expenses. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in the furtherance of or in connection with the performance of Executive's duties hereunder during the Transition Period, in accordance with the Company's expense reimbursement policy in effect from time to time.

3. Confidential Information. Executive shall continue to maintain the confidentiality of all confidential and proprietary information of the Company and shall continue to comply with the terms and conditions of the Employee Noncompetition, Proprietary Information and Inventions Agreement with the Company dated May 5, 2010 (the "**Confidentiality Agreement**"). Such information includes, but is not limited to, all customer lists, prospects, business processes, business models, equipment, records, data, notes, reports, proposals, correspondence, specifications, drawings, blueprints, sketches, materials, or other documents or property belonging to the Company.

4. Waiver of Rights under Change of Control and Retention Agreement. In exchange for the promises made herein by the Company, Executive agrees to waive his rights under Executive's Change of Control and Retention Agreement, effective December 12, 2011 (the "**Retention Agreement**") and the Retention Agreement shall terminate as of the Effective Date.

5. No Good Reason. The execution of this Agreement, the change of Executive's title to Executive Chairman, any duties or responsibilities assigned to him in this new position that are reasonably consistent with duties and responsibilities of this position at similarly situated companies, or any other provision of this Agreement will not constitute "Good Reason" under the Retention Agreement, the employment agreement with the Company dated May 3, 2010 (the "**Employment Agreement**"), or any other agreement or arrangement between the Company and Executive that is in effect as of the date hereof.

6. Golden Parachute Excise Tax Best Results. In the event that the benefits provided for in this Agreement or otherwise payable to Executive (collectively, the "**Payments**") (x) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (y) would be subject to the excise tax imposed by Section 4999 of the Code, then such Payments shall be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such Payments being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999, results in the receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, the determination of Executive's excise tax liability and the amount required to be paid under this Section 4 shall be made in writing by a nationally-recognized independent accounting firm selected by the Company (the "**Accountants**"). For purposes of making the calculations required by this Section 4, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 6. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 6. Any reduction in payments and/or benefits required by this Section 6 shall occur in the following order: (i) reduction of cash payments; (ii) reduction of acceleration of vesting of Equity Awards; and (iii) reduction of other benefits paid to Executive. In the event that acceleration of vesting of Equity Awards is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant for Executive's Equity Awards.

7. Section 409A. It is intended that none of the payments or benefits under this Agreement will constitute deferred compensation under Section 409A of the Code, any final regulations and guidance under that statute, and any applicable state law equivalent, as each may be amended or promulgated from time to time ("**Section 409A**"), but rather such payments and benefits will be exempt from Section 409A as payable only within the "short-term deferral period" pursuant to Treasury Regulation Section 1.409A-1(b)(4), or as resulting from an involuntary separation from service pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) that does not exceed the applicable limit set forth in Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), or as amounts payable upon death or a change in control event (within the meaning of Section 409A, or otherwise be exempt or comply with Section 409A, and any ambiguities or ambiguous terms will be interpreted in such manner. Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company reimburse Executive for any taxes that may be imposed on Executive as a result of Section 409A.

8. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

9. Arbitration. Any dispute, controversy or claim between the parties arising out of or relating to this Agreement (whether based in contract or tort, in law or equity), or any breach or asserted breach thereof, shall be determined and settled exclusively by arbitration in San Jose, California, in accordance with the rules for dispute resolution of JAMS. Judgment on the award may be entered in any court of competent jurisdiction. Notwithstanding this Section 9, the parties may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction or other interim or provisional relief as may be necessary, without breach of this Agreement and without abridgment of the powers of the arbitrator. The parties hereby submit themselves to the Superior Court of California in and for the County of Santa Clara as the sole and exclusive venue for the purpose of enforcing this Agreement. This Section 9 shall survive any termination of this Agreement.

10. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

11. Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise), shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 11 or which becomes bound by the terms of this Agreement by operation of law. The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

12. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, the validity of the other provisions of this Agreement shall not be impaired. If any provision of this Agreement shall be deemed invalid as to its scope, then, notwithstanding such invalidity, such provision shall be valid to the fullest extent permitted by law, and the parties agree that, if any court or arbitrator makes such a determination, such court or arbitrator shall have the power to modify the duration, scope and/or area of such provision and/or to delete specific words and phrases by "blue penciling" and, in its reduced or blue penciled form, to enforce such provision to the fullest extent permitted by law.

13. Entire Agreement. This Agreement, the Confidentiality Agreement, the applicable Equity Agreements, and the Indemnification Agreement by and between the Company and Executive, dated December 12, 2011, constitute the entire agreement and understanding between the Parties concerning the subject matter of this Agreement and all prior representations, understandings, and agreements concerning the subject matter of this Agreement have been superseded by the terms of this Agreement, including, without limitation, the Employment Agreement and the Retention Agreement.

14. No Waiver. The failure of any party to insist upon the performance of any of the terms and conditions in this Agreement, or the failure to prosecute any breach of any of the terms and conditions of this Agreement, shall not be construed thereafter as a waiver of any such terms or conditions. This entire Agreement shall remain in full force and effect as if no such forbearance or failure of performance had occurred.

15. No Oral Modification. Any modification or amendment of this Agreement, or additional obligation assumed by either party in connection with this Agreement, shall be effective only if placed in writing and signed by Executive for himself and by a member of the Board. No provision of this Agreement can be changed, altered, modified, or waived except by an executed writing by the Parties.

16. Governing Law. This Agreement shall be construed, interpreted, governed, and enforced in accordance with the laws of the State of California. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

17. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

JIVE SOFTWARE, INC.

Dated: 11/3/14

By /s/ Charles J. Robel
Charles J. Robel
Lead Independent Director of
Jive Software, Inc.

AGREED:

ANTHONY ZINGALE, an individual

Dated: 11/3/14

/s/ Anthony Zingale

Exhibit A

DUTIES AND RESPONSIBILITIES – EXECUTIVE CHAIRMAN

- Nurture identified key strategic customer relationships.
- Engage in maintaining/developing strategic partnership relations at the requests of the Office of the Chief Executive Officer ("OCEO").
- Engage in strategic customer selling at request of OCEO and field sales executives.
- Offer perspective to OCEO on any critical executive staff changes or organizational changes. Participate as requested by OCEO in screening/interviewing/recommending potential candidates.
- Offer perspective to OCEO on fundamental business and product portfolio decisions.
- Engage as requested by Board and/or OCEO in any external M&A process.
- Meet with shareholder and/or present at Investor Conferences if requested by OCEO.
- In collaboration with the OCEO, set agenda and chair board meetings.

Exhibit B

Company Equity Awards

Grant Number	Grant Date	Plan/Type	Shares	Price	Vested on 11/10/2014	Exercised or Released	Cancelled at 10/28/2014	Vested and Not Exercised	Vesting During 1 year post CEO period (subject to continued service)	Vested 11/10/2015 (subject to continued service)	To Be Cancelled at 11/10/2015 or Termination	Previously Exercised	Options Exercisable at 11/10/2015 (if vested)	PSU Potentially Vested
000188	10/11/2007	2007/NQ	190,000	$ 0.30	190,000	(190,000)		0	0	190,000	0	(190,000)	0	
I00364	03/11/2010	2007/ISO	66,225	$ 1.51	66,225	(66,225)		0	0	66,225	0	(66,225)	0	
N00364	03/11/2010	2007/NQ	383,406	$ 1.51	383,406	(383,406)		0	0	383,406	0	(383,406)	0	
001310	05/23/2012	2011/NQ	112,500	$17.41	67,969	0		67,969	28,125	96,094	(16,406)	0	96,094	
000431	06/03/2010	2007/NQ	2,757,784	$ 1.75	2,757,784	(1,663,061)		1,094,723	0	2,757,784	0	(1,663,061)	1,094,723	
001319	05/23/2012	2011/RSU	112,500	$ 0.00	56,250	(56,250)		0	28,125	84,375	(28,125)	(56,250)	28,125	
002057	05/31/2013	2011/PSU	25,000	$ 0.00	0	0	(25,000)	0	0	0	(25,000)	0	0	
002058	05/31/2013	2011/RSU	75,000	$ 0.00	18,750	(18,750)		0	18,750	37,500	(37,500)	(18,750)	18,750	
002059	05/31/2013	2011/ISO	23,668	$16.90	5,294	0		5,294	5,554	10,848	(12,820)	0	10,848	
002060	05/31/2013	2011/NQ	76,332	$16.90	30,122	0		30,122	19,447	49,569	(26,763)	0	49,569	
002437	03/01/2014	2011/RSU	200,000	$ 0.00	33,334	(33,334)		0	66,668	100,002	(99,998)	(33,334)	66,668	
002461	03/01/2014	2011/ISO	12,285	$ 8.14	0	0		0	0	0	(12,285)	0	0	
002462	03/01/2014	2011/NQ	287,715	$ 8.14	50,000	0		50,000	75,000	125,000	(162,715)	0	125,000	
002471	03/01/2014	2011/PSU	100,000	$ 0.00	0	0		0	0	0	(66,666)	0	0	33,334
TOTAL			4,422,415		3,659,134	(2,411,026)	(25,000)	1,248,108	241,669	3,900,803	(488,278)	(2,411,026)	1,489,777	33,334

November 3, 2014

Elisa Steele
c/o Jive Software, Inc.
325 Lytton Street
Palo Alto, CA 94301
Re: Revised Employment Terms

Dear Elisa,

Jive Software, Inc. (the "Company") is pleased to offer you the position of President and member of the Office of the Chief Executive Officer on the terms and conditions set forth below, and effective as of November 10, 2014 (the "Effective Date").

Your base compensation will be $41,166.67 per month, which is equal to $500,000 annually, less payroll deductions and all required withholdings. Your base salary will be paid semi-monthly in accordance with the Company's normal payroll practices. In addition, you will be eligible for a target bonus of $375,000 per year; for an annual target cash compensation opportunity of $875,000. For the current fiscal year, your target bonus opportunity will be prorated based on the number of days during the fiscal year in which you are employed as President and member of the Office of the Chief Executive Officer. You shall remain eligible for a prorated portion of the annual bonus applicable for the portion of the year during which you served as an Executive Vice President of the Company. Your bonus will be paid according to the terms and conditions of our executive bonus plan pursuant to metrics established by the Compensation Committee of our Board of Directors (the "Compensation Committee").

You will continue to be eligible for the standard Company benefits, which currently includes the following: medical insurance, dental insurance, life insurance, FlexTime, 401(k), and paid holidays. The standard Company benefits offerings may, at the Company's discretion, be changed from time to time.

You will continue to be eligible for the severance and change of control benefits under the Change of Control and Retention Agreement by and between you and the Company dated January 2, 2014 (the "Retention Agreement"). However, the modifications to the Retention Agreement set forth on Appendix A attached hereto will apply.

In your new role, all of your responsibilities and actions will at all times be subject to the appropriate approval of the Board of Directors of the Company (the "Board"), and you will be reporting directly to the Board.

You will continue to adhere to the terms and conditions of the Employee Proprietary Information and Inventions Agreement that you signed when your employment with the Company began. As a Company employee, you will continue to be expected to abide by Company rules and policies, which may be modified from time to time with notice at the Company's discretion.

You will be employed as an "at-will employee" of the Company, which means that you or the Company may terminate your employment at any time for any reason or no reason, with or without cause, and with or without advance notice. This at-will employment arrangement cannot be modified in any way except by a writing signed by you and the Chairman of the Compensation Committee.

This letter agreement, along with the Employee Proprietary Information and Inventions Agreement, the Company equity plan and agreements governing your existing Company equity awards, and the Retention Agreement (as modified by Appendix A), set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral, including the offer letter by and between you and the Company dated December 20, 2013.

Please sign and date this letter below.

We are grateful for your contributions to the Company thus far, and look forward to a productive working relationship with you going forward.

Sincerely,

/s/ Charles J. Robel
Charles J. Robel
Lead Independent Director of
Jive Software, Inc.

Accepted:

/s/ Elisa Steele
Elisa Steele

Date: 11/3/14

Appendix A

The following modifications to the Change of Control and Retention Agreement by and between you and Jive Software, Inc. (the "Company") dated January 2, 2014 (the "Retention Agreement") will apply effective November 10, 2014 (the "Effective Date"). The modifications described herein are conditioned on you signing and not revoking the revised offer letter to which this appendix is attached. Capitalized terms below will have the meanings ascribed to them under the Retention Agreement, except as otherwise defined in this appendix. The Retention Agreement will remain in full force and effect except as modified by this appendix.

1. **Involuntary Termination other than for Cause or Resignation for Good reason OTHER THAN During the Change of Control Period**. Section 3(b) of the Retention Agreement is amended to replace subsections (i) and (ii) and add subsections (iii) and (iv) as follows:

"(i) *Severance Payment*. Employee shall receive a lump-sum severance payment (less applicable tax withholding) equal to twelve (12) months of the Employee's Base Salary.

(ii) *Additional Severance Payment*. If the Employee is covered by the Company health care plan, then the Employee shall receive a lump sum cash payment equal to twelve (12) multiplied by the cost of a single month of COBRA coverage at the rates in effect on the date of termination. If such coverage included the Employee's dependents immediately prior to the Employee's termination of employment with the Company, such payment shall also include the cost of COBRA coverage for the Employee's dependents.

(iii) *Bonus Severance Payment*. Employee shall receive a lump-sum severance payment (less applicable tax withholding) equal to the greater of: (i) the Employee's annual target bonus for the fiscal year in which the date of Employee's termination occurs or (ii) the actual bonus that the Employee would earn under the Company's executive bonus plan in effect in the fiscal year in which the date of Employee's termination occurs based on the Company's achievement against the metrics established under the plan and assuming that any individual goals for Employee are achieved at target levels. Notwithstanding any other provision to the contrary, the payment in this paragraph will be made in the year following the year in which the Employee's date of termination occurs at the same time as bonus payments are made to the Company's other senior executive officers, subject to any delay as may be required pursuant to Section 409A (as defined below).

(iv) *Equity Awards*. With respect to the Employee's Equity Awards (as defined below), the Employee shall immediately vest in the number of shares subject to each Equity Award that otherwise would vest during the twelve (12)-month period immediately following the date of termination under the Equity Award's vesting schedule had the Employee continued to be employed with the Company through the end of such twelve (12)-month period."

2. **Non-Change of Control Period Good Reason Definition**. Section 5(g) of the Retention Agreement is amended to replace subsection (iii) as follows:

"(iii) a material reduction in the Employee's title; it being understood that the hiring of a chief executive officer of the Company shall constitute grounds for the Employee to resign for Good Reason, provided that Employee shall have six (6) months (in lieu of the ninety (90)-day period set forth below) to provide the Company with written notice that Employee intends to resign for Good Reason on account of the hiring of a chief executive officer of the Company;"

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Anthony Zingale, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jive Software, 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;

   (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: November 6, 2014

By: /s/ Anthony Zingale
Anthony Zingale
Chief Executive Officer, Director and Chairman
Jive Software, Inc.

EXHIBIT 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Bryan J. LeBlanc, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jive Software, 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;

   (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: November 6, 2014

By: /s/ Bryan J. LeBlanc
Bryan J. LeBlanc
Chief Financial Officer
Jive Software, Inc.

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(b) OR RULE 15d-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934 AND 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Jive Software, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony Zingale, Chief Executive Officer, Director and Chairman of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Anthony Zingale
Anthony Zingale
Chief Executive Officer, Director and Chairman
Jive Software, Inc.
November 6, 2014

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(b) OR RULE 15d-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934 AND 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Jive Software, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bryan J. LeBlanc, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Bryan J. LeBlanc
Bryan J. LeBlanc
Chief Financial Officer
Jive Software, Inc.
November 6, 2014