

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

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended September 30, 2016  
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 Number: 001-36904



**GoDaddy Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**46-5769934**

(I.R.S. Employer Identification Number)

**14455 N. Hayden Road**

**Scottsdale, Arizona 85260**

(Address of principal executive offices, including zip code)

**(480) 505-8800**

(Registrant's telephone number, including area code)

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

As of October 28, 2016, there were 87,469,399 shares of GoDaddy Inc.'s Class A common stock, \$0.001 par value per share, outstanding and 78,587,943 shares of GoDaddy Inc.'s Class B common stock, \$0.001 par value per share, outstanding.

**GoDaddy Inc.**  
**Quarterly Report on Form 10-Q**  
**For the Quarterly Period Ended September 30, 2016**

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## NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains certain forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involving substantial risks and uncertainties. The words "believe," "may," "will," "potentially," "plan," "estimate," "continue," "anticipate," "intend," "project," "expect" and similar expressions conveying uncertainty of future events or outcomes are intended to identify forward-looking statements. These statements include, among other things, those regarding:

- our ability to continue to add new customers and increase sales to our existing customers;
- our ability to develop new solutions and bring them to market in a timely manner;
- our ability to timely and effectively scale and adapt our existing solutions;
- our dependence on establishing and maintaining a strong brand;
- the occurrence of service interruptions and security or privacy breaches;
- system failures or capacity constraints;
- the rate of growth of, and anticipated trends and challenges in, our business and in the market for our products;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, including changes in technology and development, marketing and advertising, general and administrative and Customer Care expenses, and our ability to achieve and maintain, future profitability;
- our ability to continue efficiently acquiring customers, maintaining our high customer retention rates and maintaining the level of our customers' lifetime spend;
- our ability to provide high quality Customer Care;
- the effects of increased competition in our markets and our ability to compete effectively;
- our ability to grow internationally;
- the impact of fluctuations in foreign currency exchange rates on our business and our ability to effectively manage the exposure to such fluctuations;
- our ability to effectively manage our growth and associated investments;
- our ability to integrate recent or potential future acquisitions;
- our ability to maintain our relationships with our partners;
- adverse consequences of our substantial level of indebtedness;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to maintain or improve our market share;
- sufficiency of cash and cash equivalents to meet our needs for at least the next 12 months;
- beliefs and objectives for future operations;
- our ability to stay in compliance with laws and regulations currently applicable to, or which may become applicable to, our business both in the United States and internationally;
- economic and industry trends or trend analysis;
- the attraction and retention of qualified employees and key personnel;
- the amount and timing of any payments we make under tax receivable agreements (TRAs) or for tax distributions;
- the future trading prices of our Class A common stock;

as well as other statements regarding our future operations, financial condition and prospects and business strategies.

**NOTE ABOUT FORWARD-LOOKING STATEMENTS (continued)**

We operate in very competitive and rapidly-changing environments, and new risks emerge from time-to-time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report may not occur, and actual results could differ materially and adversely from those implied in our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this report to conform such statements to actual results or to changes in our expectations, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context suggests otherwise, references to GoDaddy, we, us and our refer to GoDaddy Inc. and its consolidated subsidiaries, including Desert Newco, LLC and its subsidiaries (Desert Newco). We refer to Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR), Silver Lake Partners (together with its affiliates, Silver Lake) and Technology Crossover Ventures (together with its affiliates, TCV) collectively as the Sponsors. We refer to YAM Special Holdings, Inc. (formerly The Go Daddy Group, Inc.) as YAM. We refer to Robert R. Parsons, the sole beneficial owner of YAM, our founder and a member of our board of directors, as Bob Parsons.

**Part I - FINANCIAL INFORMATION****Item 1. Financial Statements**

**GoDaddy Inc.**  
**Condensed Consolidated Balance Sheets (unaudited)**  
(In millions, except share amounts which are reflected in thousands and per share amounts)

	September 30, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 556.2	\$ 348.0
Short-term investments	9.6	4.5
Accounts and other receivables	10.8	4.8
Registry deposits	21.6	18.7
Prepaid domain name registry fees	311.1	292.6
Prepaid expenses and other current assets	31.3	25.3
Total current assets	940.6	693.9
Property and equipment, net	230.8	225.0
Prepaid domain name registry fees, net of current portion	171.8	163.7
Goodwill	1,678.1	1,663.4
Intangible assets, net	705.5	735.3
Other assets	6.6	12.1
Deferred tax assets	7.8	5.4
Total assets	\$ 3,741.2	\$ 3,498.8
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 63.2	\$ 39.4
Accrued expenses and other current liabilities	124.6	127.0
Payable to related parties for tax distributions	—	5.3
Deferred revenue	1,043.3	937.7
Long-term debt	4.1	4.2
Total current liabilities	1,235.2	1,113.6
Deferred revenue, net of current portion	528.4	478.5
Long-term debt, net of current portion	1,036.7	1,039.8
Payable to related parties pursuant to tax receivable agreements, net of current portion	199.5	151.6
Other long-term liabilities	39.1	34.3
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value - 50,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.001 par value - 1,000,000 shares authorized; 86,413 and 67,083 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	0.1	0.1
Class B common stock, \$0.001 par value - 500,000 shares authorized; 78,921 and 90,398 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	0.1	0.1
Additional paid-in capital	548.0	454.6
Accumulated deficit	(46.8)	(32.2)
Accumulated other comprehensive income	2.7	3.2
Total stockholders' equity attributable to GoDaddy Inc.	504.1	425.8
Non-controlling interests	198.2	255.2
Total stockholders' equity	702.3	681.0
Total liabilities and stockholders' equity	\$ 3,741.2	\$ 3,498.8

*See accompanying notes to condensed consolidated financial statements.*

**GoDaddy Inc.**  
**Notes to Condensed Consolidated Statements of Operations (unaudited)**  
(In millions, except share amounts which are reflected in thousands and per share amounts)

	Three Months Ended		September	
	30,		30,	
	2016	2015	2016	2015
Revenue:				
Domains	\$ 236.6	\$ 215.0	\$ 685.3	\$ 622.7
Hosting and presence	174.1	150.8	502.0	436.5
Business applications	61.4	45.3	174.7	122.7
Total revenue	472.1	411.1	1,362.0	1,181.9
Costs and operating expenses <sup>(1)</sup> :				
Cost of revenue (excluding depreciation and amortization)	169.2	144.0	485.7	420.9
Technology and development	72.3	67.3	214.2	201.2
Marketing and advertising	53.4	49.3	170.9	150.8
Customer care	59.8	54.8	183.6	167.2
General and administrative	52.8	44.2	153.8	168.6
Depreciation and amortization	43.4	40.6	121.6	116.4
Total costs and operating expenses	450.9	400.2	1,329.8	1,225.1
Operating income (loss)	21.2	10.9	32.2	(43.2)
Interest expense	(14.4)	(14.6)	(43.0)	(54.7)
Tax receivable agreements liability adjustment	1.3	(0.6)	(9.4)	(0.6)
Loss on debt extinguishment	—	—	—	(21.4)
Other income (expense), net	(0.7)	—	(0.8)	0.7
Income (loss) before income taxes	7.4	(4.3)	(21.0)	(119.2)
Benefit (provision) for income taxes	0.9	(0.9)	(0.1)	(0.7)
Net income (loss)	8.3	(5.2)	(21.1)	(119.9)
Less: net income (loss) attributable to non-controlling interests	3.5	(2.7)	(6.5)	(44.2)
Net income (loss) attributable to GoDaddy Inc.	\$ 4.8	\$ (2.5)	\$ (14.6)	\$ (75.7)
Net income (loss) per share of Class A common stock <sup>(2)</sup> :				
Basic	\$ 0.06	\$ (0.04)	\$ (0.19)	\$ (0.82)
Diluted	\$ 0.05	\$ (0.04)	\$ (0.19)	\$ (0.82)
Weighted-average shares of Class A common stock outstanding <sup>(2)</sup> :				
Basic	83,733	64,999	77,170	56,153
Diluted	96,743	64,999	77,170	56,153

<sup>(1)</sup> Costs and operating expenses include equity-based compensation expense as follows:

Technology and development	\$ 7.0	\$ 4.4	\$ 16.9	\$ 12.5
Marketing and advertising	2.3	1.5	5.8	4.5
Customer care	1.6	0.9	3.0	2.1
General and administrative	6.6	3.2	14.6	9.4

<sup>(2)</sup> Amounts for periods prior to our initial public offering (IPO) have been retrospectively adjusted to give effect to the pre-IPO organizational transactions. The prior period amounts do not consider the 26,000 shares of Class A common stock sold in our IPO. See Note 12.

*See accompanying notes to condensed consolidated financial statements.*

**GoDaddy Inc.**  
**Condensed Consolidated Statement of Stockholders' Equity (unaudited)**  
(In millions, except share amounts which are reflected in thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interest	Total
	Shares	Amount	Shares	Amount					
Balance at December 31, 2015	67,083	\$ 0.1	90,398	\$ 0.1	\$ 454.6	\$ (32.2)	\$ 3.2	\$ 255.2	\$ 681.0
Net income (loss)	—	—	—	—	—	(14.6)	—	(6.5)	(21.1)
Equity-based compensation expense	—	—	—	—	40.3	—	—	—	40.3
Stock option and warrant exercises	7,853	—	—	—	78.1	—	—	(32.2)	45.9
Effect of exchanges of LLC Units	11,477	—	(11,477)	—	13.3	—	—	(13.3)	—
Liability pursuant to the tax receivable agreements resulting from exchanges of LLC Units	—	—	—	—	(38.5)	—	—	—	(38.5)
Distributions to holders of LLC Units	—	—	—	—	—	—	—	(5.0)	(5.0)
Other	—	—	—	—	0.2	—	(0.5)	—	(0.3)
Balance at September 30, 2016	<u>86,413</u>	<u>\$ 0.1</u>	<u>78,921</u>	<u>\$ 0.1</u>	<u>\$ 548.0</u>	<u>\$ (46.8)</u>	<u>\$ 2.7</u>	<u>\$ 198.2</u>	<u>\$ 702.3</u>

*See accompanying notes to condensed consolidated financial statements.*

**GoDaddy Inc.**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**  
(In millions)

	<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Operating activities</b>		
Net loss	\$ (21.1)	\$ (119.9)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	121.6	116.4
Equity-based compensation	40.3	28.5
Loss on debt extinguishment	—	21.4
Other	13.4	7.5
Changes in operating assets and liabilities, net of amounts acquired:		
Registry deposits	(2.9)	(3.4)
Prepaid domain name registry fees	(26.6)	(32.5)
Deferred revenue	156.6	161.9
Other operating assets and liabilities	16.1	18.2
Net cash provided by operating activities	297.4	198.1
<b>Investing activities</b>		
Purchases of short-term investments	(10.5)	(7.3)
Maturities of short-term investments	5.4	4.9
Business acquisitions, net of cash acquired	(57.9)	(30.7)
Purchases of intangible assets	—	(22.5)
Purchases of property and equipment, excluding improvements	(37.8)	(31.3)
Purchases of leasehold and building improvements	(5.0)	(3.0)
Other investing activities, net	—	1.1
Net cash used in investing activities	(105.8)	(88.8)
<b>Financing activities</b>		
Proceeds received from:		
Issuance of Class A common stock sold in IPO, net of offering costs	—	482.4
Stock option and warrant exercises	45.9	1.2
Payments made for:		
Distributions to holders of LLC Units	(10.8)	—
Repayment of senior note	—	(300.0)
Repayment of revolving credit loan	—	(75.0)
Repayment of term loan	(8.2)	(8.2)
Financing-related costs	—	(13.5)
Contingent consideration for business acquisitions	(1.5)	—
Capital leases and other financing obligations	(8.8)	(7.4)
Net cash provided by financing activities	16.6	79.5
Effect of exchange rate changes on cash and cash equivalents	—	(0.1)
Net increase in cash and cash equivalents	208.2	188.7
Cash and cash equivalents, beginning of period	348.0	139.0
Cash and cash equivalents, end of period	\$ 556.2	\$ 327.7
<b>Supplemental cash flow information:</b>		
Cash paid during the period for:		
Interest on long-term debt	\$ 35.0	\$ 47.3
Income taxes, net of refunds received	\$ 2.7	\$ 1.6
<b>Supplemental information for non-cash investing and financing activities:</b>		
Fair value of contingent consideration in connection with business acquisitions	\$ 1.0	\$ 0.9
Accrued capital expenditures, excluding improvements, at period end	\$ 12.8	\$ 5.0
Accrued capital expenditures, leasehold and building improvements, at period end	\$ 0.7	\$ 0.6
Property and equipment acquired under capital leases	\$ 7.0	\$ 11.1



**GoDaddy Inc.**  
**Notes to Condensed Consolidated Financial Statements (unaudited)**  
**(In millions, except share amounts which are reflected in thousands and per share amounts)**

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## 1. Organization and Background

### Organization

We were incorporated on May 28, 2014 for the purpose of facilitating an IPO and other related organizational transactions, completed on April 7, 2015, in order to operate and control all of the business and affairs of Desert Newco. As sole managing member, we have all voting power in, and control the management of, Desert Newco. As a result, we consolidate Desert Newco's financial results and report a non-controlling interest representing the economic interest held by the other members of Desert Newco. As discussed in Note 5, in April 2016, we completed a secondary offering in which certain stockholders exchanged 10,382 LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock, increasing our ownership in Desert Newco to approximately 52% as of September 30, 2016.

### Basis of Presentation

Our condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP), and include our accounts and the accounts of our subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

We had no material components of other comprehensive income (loss) during any of the periods presented. As such, a consolidated statement of comprehensive income (loss) is not presented.

Our interim condensed consolidated financial statements are unaudited. These financial statements have been prepared in accordance with GAAP, and in our opinion, include all adjustments of a normal recurring nature necessary for the fair presentation of the interim periods presented. The results for the three and nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for any subsequent quarter or for the year ending December 31, 2016.

These financial statements should be read in conjunction with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2015, as amended (2015 Form 10-K).

### Prior Period Reclassifications

Reclassifications of certain immaterial prior period amounts have been made to conform to the current period presentation.

## **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions affecting amounts reported in our financial statements. Our more significant estimates include:

- the determination of the best estimate of selling price of the deliverables included in multiple-deliverable revenue arrangements;
- the fair value of assets acquired and liabilities assumed in business acquisitions;
- the assessment of recoverability of long-lived assets, including property and equipment, goodwill and intangible assets;
- the estimated reserve for refunds;
- the estimated useful lives of intangible and depreciable assets;
- the grant date fair value of equity-based awards;
- the recognition, measurement and valuation of current and deferred income taxes;
- the recognition and measurement of amounts payable under tax receivable agreements;
- the recognition and measurement of amounts payable as tax distributions to Desert Newco's owners; and
- the recognition and measurement of loss contingencies, indirect tax liabilities and certain accrued liabilities.

We periodically evaluate these estimates and adjust prospectively, if necessary. We believe our estimates and assumptions are reasonable; however, actual results may differ from our estimates.

## **Segments and Reporting Units**

Our chief operating decision maker function is comprised of our Chief Executive Officer and Chief Operating Officer who collectively review financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance for the entire company. Accordingly, we have a single operating segment and reporting unit.

## **2. Summary of Significant Accounting Policies**

### **Derivative Financial Instruments**

We enter into foreign exchange forward contracts with financial institutions to hedge certain forecasted sales transactions denominated in currencies other than the United States (U.S.) dollar. We designate these forward contracts as cash flow hedges, which are recognized as either assets or liabilities at fair value. We do not hold or issue derivative instruments for speculative or trading purposes. At September 30, 2016, the total notional amount of outstanding contracts was \$26.1 million, all having remaining maturities of 3 months or less.

We reflect unrealized gains or losses on the effective portion of a cash flow hedge as a component of accumulated other comprehensive income. Gains and losses, once realized, are recorded as a component of accumulated other comprehensive income and are amortized to revenue over the same period in which the underlying hedged amounts are recognized. Any ineffective portion of gains or losses are recorded as other income (expense), net and were immaterial during all periods presented. Each period, we evaluate the effectiveness of each of our hedges. As of September 30, 2016, all hedges were determined to be effective.

**Fair Value Measurements**

Fair value is defined as an exit price, representing the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. The framework for measuring fair value provides a three-tier hierarchy prioritizing inputs to valuation techniques used in measuring fair value as follows:

*Level 1*—Observable inputs such as quoted prices for identical assets or liabilities in active markets;

*Level 2*—Inputs, other than quoted prices for identical assets or liabilities in active markets, which are observable either directly or indirectly; and

*Level 3*—Unobservable inputs in which there is little or no market data requiring the reporting entity to develop its own assumptions.

We hold certain assets required to be measured at fair value on a recurring basis. These may include reverse repurchase agreements, commercial paper or other securities, which are classified as either cash and cash equivalents or short-term investments. We classify these assets within Level 1 or Level 2 because we use either quoted market prices or alternative pricing sources utilizing market observable inputs to determine their fair value, as follows:

	<b>September 30, 2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents:				
Reverse repurchase agreements <sup>(1)</sup>	\$ —	\$ 135.0	\$ —	\$ 135.0
Commercial paper	—	50.0	—	50.0
Short-term investments:				
Certificates of deposit and time deposits	9.6	—	—	9.6
<b>Total assets measured and recorded at fair value</b>	<b>\$ 9.6</b>	<b>\$ 185.0</b>	<b>\$ —</b>	<b>\$ 194.6</b>

(1) Reverse repurchase agreements include an \$80.0 million repurchase agreement with Morgan Stanley, callable with 31 days notice, and a \$55.0 million one-week repurchase agreement with Wells Fargo.

	<b>December 31, 2015</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents:				
Reverse repurchase agreements <sup>(1)</sup>	\$ —	\$ 40.0	\$ —	\$ 40.0
Short-term investments:				
Certificates of deposit	4.5	—	—	4.5
<b>Total assets measured and recorded at fair value</b>	<b>\$ 4.5</b>	<b>\$ 40.0</b>	<b>\$ —</b>	<b>\$ 44.5</b>

(1) Reverse repurchase agreements include a \$40.0 million repurchase agreement with Wells Fargo in overnight sweeps.

We have no other material assets or liabilities measured at fair value on a recurring basis.

**Foreign Currency**

Our functional currency is the U.S. dollar. Assets denominated in foreign currencies are remeasured into U.S. dollars at period-end exchange rates. Foreign currency based revenue and expenses transactions are measured at transaction date exchange rates. Foreign currency remeasurement gains and losses are recorded in other income (expense), net and were \$(1.5) million and \$(1.5) million for the three months ended September 30, 2016 and 2015, respectively, and \$(3.1) million and \$(2.9) million for the nine months ended September 30, 2016 and 2015, respectively.

The functional currency of certain of our foreign subsidiaries is their respective local currency. For these subsidiaries, we translate revenue and expense transactions at average exchange rates. We translate assets and liabilities at period-end exchange rates and include foreign currency translation gains and losses as a component of accumulated other comprehensive income. Such gains and losses were not material during any of the periods presented.

## Recent Accounting Pronouncements

In May 2014 , the Financial Accounting Standards Board (FASB) issued a new standard on revenue recognition from contracts with customers. The new standard requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled to in exchange for those goods or services. In July 2015 , the FASB approved a one year deferral of the effective date making the new standard effective for annual and interim reporting periods beginning after December 15, 2017 , with early adoption permitted as of the original effective date. The new standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. In March 2016 , the FASB amended the principal-versus-agent implementation guidance set forth in the new standard. Among other things, this amendment clarifies that an entity should evaluate whether it is the principal or the agent for each specified good or service promised in a contract with a customer. In April 2016 , the FASB amended certain aspects of the new standard related to identifying performance obligations and licensing implementation. In May 2016, the FASB amended certain aspects of the new standard related to collectability assessment, sales taxes and other similar taxes collected from customers, noncash consideration, contract modification and completed contracts at transition. This amendment is intended to address implementation issues raised by stakeholders and provide additional practical expedients to reduce the cost and complexity of applying the new standard. We plan to adopt this new standard on January 1, 2018 and are currently evaluating the transition method we intend to utilize and its expected impact on our consolidated financial statements.

In February 2016 , the FASB issued new guidance related to accounting for leases. The new standard requires the recognition of assets and liabilities arising from lease transactions on the balance sheet and the disclosure of key information about leasing arrangements. Accordingly, a lessee will recognize a lease asset for its right to use the underlying asset and a lease liability for the corresponding lease obligation. Both the asset and liability will initially be measured at the present value of the future minimum lease payments over the lease term. Subsequent measurement, including the presentation of expenses and cash flows, will depend on the classification of the lease as either a finance or an operating lease. Initial costs directly attributable to negotiating and arranging the lease will be included in the asset. For leases with a term of 12 months or less, a lessee can make an accounting policy election by class of underlying asset to not recognize an asset and corresponding liability. Lessees will also be required to provide additional qualitative and quantitative disclosures regarding the amount, timing and uncertainty of cash flows arising from leases. These disclosures are intended to supplement the amounts recorded in the financial statements and provide additional information about the nature of an organization's leasing activities. The new standard is effective for fiscal years beginning after December 15, 2018 , and interim periods within those years, with early adoption permitted. In transition, lessees are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The transition guidance also provides specific guidance for sale and leaseback transactions, build-to-suit leases and amounts previously recognized in accordance with the business combinations guidance for leases. We are currently evaluating the timing of our adoption and the expected impact of this new standard on our consolidated financial statements.

In March 2016 , the FASB issued new guidance changing the accounting for certain aspects of share-based payments to employees. The guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis and allows for an employer to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting. In addition, the guidance requires recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid-in capital pools. The guidance is effective for annual and interim reporting periods beginning after December 15, 2016 , with early adoption permitted. We expect to adopt this guidance on January 1, 2017 and are currently evaluating its expected impact on our consolidated financial statements.

In June 2016 , the FASB issued new guidance for the accounting for credit losses on instruments that will require us to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial instruments measured at amortized cost and also applies to some off-balance sheet credit exposures. The guidance is effective for annual and interim reporting periods beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the timing of our adoption and the expected impact of this new guidance on our consolidated financial statements.

In August 2016 , the FASB issued new guidance clarifying the treatment of several cash flow categories. In addition, the new guidance clarifies that when cash receipts and cash payments have aspects of more than one class of cash flows and cannot be separated, classification will depend on the predominant source or use. This new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted. We

expect to adopt this guidance during the fourth quarter of 2016 and are currently evaluating its expected impact on our consolidated financial statements.

In October 2016, the FASB issued new guidance that will require an entity to recognize the income tax consequences of intra-entity assets transfers, other than inventory, when the transfer occurs. This new guidance is effective for annual and interim reporting periods beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the timing of our adoption and the expected impact of this new guidance on our consolidated financial statements.

### 3. Business Acquisitions

During the nine months ended September 30, 2016, we completed two acquisitions for cash of \$61.1 million, including \$3.1 million payable in future periods following the expiration of contractual holdback periods, and additional immaterial contingent earn-out payments subject to the achievement of certain revenue targets. The acquisitions are not material to our results of operations, and as a result, no proforma financial information is presented.

The aggregate purchase price was allocated to the assets acquired and liabilities assumed based upon our assessment of fair value as of the respective acquisition dates with \$38.4 million attributed to an indefinite-lived domain portfolio intangible asset, \$14.7 million to goodwill, which is deductible for income tax purposes, \$7.6 million to other identified finite-lived intangible assets and \$0.7 million of net liabilities assumed. We also recorded a \$1.1 million reduction of our existing deferred revenue from prior transactions with one of the acquired businesses. Identified intangible assets, which were valued using either income- or cost-based approaches, include an indefinite-lived domain portfolio, customer-related intangible assets and developed technology. The acquired finite-lived intangible assets have a total weighted-average amortization period of 4.4 years.

### 4. Goodwill and Intangible Assets

The following table summarizes changes in our goodwill balance:

Balance at December 31, 2015	\$	1,663.4
Goodwill related to acquisitions		14.7
Balance at September 30, 2016	\$	1,678.1

Intangible assets, net are summarized as follows:

	September 30, 2016			Net Carrying Amount
	Gross Carrying Amount	Accumulated Amortization	Domains Sold	
Indefinite-lived intangible assets:				
Trade names and branding	\$ 445.0	n/a	n/a	\$ 445.0
Domain portfolio	99.6	n/a	\$ (10.1)	89.5
Finite-lived intangible assets:				
Customer-related	362.8	\$ (234.3)	n/a	128.5
Developed technology	215.7	(177.8)	n/a	37.9
Trade names	11.6	(7.0)	n/a	4.6
Other	1.1	(1.1)	n/a	—
	<u>\$ 1,135.8</u>	<u>\$ (420.2)</u>	<u>\$ (10.1)</u>	<u>\$ 705.5</u>

	<b>December 31, 2015</b>			
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Domains Sold</b>	<b>Net Carrying Amount</b>
Indefinite-lived intangible assets:				
Trade names and branding	\$ 445.0	n/a	n/a	\$ 445.0
Domain portfolio	61.2	n/a	(3.7)	57.5
Finite-lived intangible assets:				
Customer-related	361.2	\$ (196.8)	n/a	164.4
Developed technology	210.1	(148.0)	n/a	62.1
Trade names	11.2	(5.2)	n/a	6.0
Other	1.1	(0.8)	n/a	0.3
	<u>\$ 1,089.8</u>	<u>\$ (350.8)</u>	<u>\$ (3.7)</u>	<u>\$ 735.3</u>

Customer-related intangible assets, developed technology and trade names have weighted-average useful lives from the date of purchase of 99 months, 64 months and 57 months, respectively. Amortization expense was \$25.7 million and \$24.6 million for the three months ended September 30, 2016 and 2015, respectively. Amortization expense was \$69.4 million and \$71.4 million for the nine months ended September 30, 2016 and 2015, respectively. The weighted-average remaining amortization period for amortizable intangible assets was 43 months as of September 30, 2016.

Based on the balance of finite-lived intangible assets at September 30, 2016, expected future amortization expense is as follows:

**Year Ending December 31:**

2016 (remainder of)	\$ 20.4
2017	54.6
2018	46.4
2019	27.4
2020	21.5
Thereafter	0.7
	<u>\$ 171.0</u>

**5. Stockholders' Equity**

**Secondary Offering**

In April 2016, we completed a secondary offering in which certain stockholders, including the Sponsors, YAM and certain of our executive officers, sold an aggregate of 18,975 shares of our Class A common stock at a public offering price of \$30.25 per share. We received \$6.3 million in proceeds from the exercise of stock options in connection with the offering, but did not receive any proceeds from the shares sold in the offering. The offering also included the exchange of 10,382 LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by certain selling stockholders, which resulted in an \$8.8 million increase in additional paid-in capital, with an offsetting reduction in non-controlling interests, and a material increase to the liability under the TRAs. See Note 11.

**6. Equity-Based Compensation Plans**

On March 31, 2015, we adopted the 2015 Equity Incentive Plan (the 2015 Plan) and reserved a total of 10,285 shares of Class A common stock for issuance pursuant to the 2015 Plan. The shares reserved for issuance under the 2015 Plan also included up to 28,133 shares rolled over from the Desert Newco, LLC 2011 Unit Incentive Plan (the 2011 Unit Incentive Plan) and from certain other option plans assumed in connection with acquisitions. On January 1, 2016, in accordance with the automatic increase provisions of the 2015 Plan, an additional 6,299 shares were reserved for issuance pursuant to the 2015 Plan. As of September 30, 2016, 12,575 shares were available for issuance as future awards under the 2015 Plan.

On March 31, 2015, we adopted the 2015 Employee Stock Purchase Plan (the ESPP) and reserved a total of 2,000 shares of Class A common stock for issuance pursuant to the ESPP. On January 1, 2016, in accordance with the automatic

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increase provisions of the ESPP, an additional 1,000 shares were reserved for issuance pursuant to the ESPP. As of September 30, 2016, 2,325 shares were available for issuance as future awards under the ESPP.

We grant options at exercise prices equal to the fair market value of our Class A common stock on the grant date. We grant both options and restricted stock units (RSUs) vesting solely upon the continued employment of the recipient as well as awards vesting upon the achievement of annual or cumulative financial-based targets coinciding with our fiscal year. We recognize the grant date fair value of equity-based awards as compensation expense over the required service period of each award, taking into account the probability of our achievement of associated performance targets.

The following table summarizes our option activity for the nine months ended September 30, 2016 :

	<b>Number of Shares of Class A Common Stock (#)</b>	<b>Weighted- Average Grant- Date Fair Value (\$)</b>	<b>Weighted- Average Exercise Price (\$)</b>
Outstanding at December 31, 2015	27,419		10.25
Granted	2,042	11.89	30.70
Exercised	(7,646)		6.01
Forfeited	(1,448)		17.04
Outstanding at September 30, 2016	20,367		13.41
Vested at September 30, 2016	9,961		8.54

The following table summarizes our RSU activity for the nine months ended September 30, 2016 :

	<b>Number of Shares of Class A Common Stock (#)</b>	<b>Weighted- Average Grant- Date Fair Value (\$)</b>
Outstanding at December 31, 2015	93	
Granted	2,876	29.95
Vested	(207)	
Forfeited	(165)	
Outstanding at September 30, 2016	2,597	

At September 30, 2016, total unrecognized compensation expense related to non-vested stock options and RSUs was \$45.0 million and \$49.8 million, respectively, with expected remaining weighted-average recognition periods of 2.1 years and 3.0 years, respectively. We currently believe the performance targets related to the vesting of performance awards will be achieved. If such targets are not achieved, or are subsequently determined to not be probable of being achieved, we will not recognize any compensation expense relating to performance awards, and will reverse any previously recognized expense.

In May 2016, we discovered our "Up-C" structure was not eligible to offer a "tax-qualified" plan and terminated the then-current ESPP offering period. We refunded all amounts withheld on behalf of employees, including \$8.8 million included in accrued expenses and other current liabilities at March 31, 2016. In connection with the offering period termination, we granted fully-vested RSUs to employees who were participating in the ESPP prior to the termination date, resulting in \$3.6 million of additional equity-based compensation expense during the three and nine months ended September 30, 2016. Other expenses related to this termination were not material. We started a "non-qualified" ESPP offering period in July 2016.

The fair value of each ESPP share is estimated on the first day of each offering period using the Black-Scholes option pricing model, and is recognized as compensation expense on a straight-line basis over the term in which it is outstanding. As of September 30, 2016, \$3.4 million has been withheld on behalf of employees for future purchases under the ESPP, which is included in accrued expenses and other current liabilities. At September 30, 2016, total unrecognized compensation expense related to ESPP shares was \$0.4 million, which will be recognized during the fourth quarter of 2016.

**7. Deferred Revenue**

Deferred revenue consists of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Current:		
Domains	\$ 535.6	\$ 497.2
Hosting and presence	370.2	330.8
Business applications	137.5	109.7
	<u>\$ 1,043.3</u>	<u>\$ 937.7</u>
Noncurrent:		
Domains	\$ 310.1	\$ 288.5
Hosting and presence	163.6	149.7
Business applications	54.7	40.3
	<u>\$ 528.4</u>	<u>\$ 478.5</u>

**8. Long-Term Debt**

Long-term debt consists of the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Term Loan due May 13, 2021 (effective interest rate of 4.9% at September 30, 2016 and 5.1% at December 31, 2015)	\$ 1,075.3	\$ 1,083.5
Revolving Credit Loan due May 13, 2019	—	—
Total	1,075.3	1,083.5
Less: unamortized original issue discounts on long-term debt <sup>(1)</sup>	(32.1)	(36.8)
Less: unamortized debt issuance costs <sup>(1)</sup>	(2.4)	(2.7)
Less: current portion of long-term debt	(4.1)	(4.2)
	<u>\$ 1,036.7</u>	<u>\$ 1,039.8</u>

(1) Original issue discounts and debt issuance costs are amortized to interest expense over the life of the related debt instruments using the effective interest method.

**Term Loan and Revolving Credit Loan**

Our amended and restated secured credit agreement (the Credit Facility) consists of a \$1,100.0 million original balance term loan maturing on May 13, 2021 (the Term Loan) and an available \$150.0 million revolving credit loan maturing on May 13, 2019 (the Revolving Credit Loan). Borrowings under the Credit Facility bear interest at a rate equal to, at our option, either (a) LIBOR (not less than 1.0% for the Term Loan only) plus 3.25% per annum or (b) 2.25% per annum plus the highest of (i) the Federal Funds Rate plus 0.5% , (ii) the Prime Rate or (iii) one-month LIBOR plus 1.0% .

At September 30, 2016 , we had \$150.0 million available for borrowing under the Revolving Credit Loan and were not in violation of any covenants of the Credit Facility.

The estimated fair value of the Term Loan was \$1,082.7 million at September 30, 2016 based on observable market prices for this loan, which is traded in a less active market and is therefore classified as a Level 2 fair value measurement.

**Future Debt Maturities**

Aggregate principal payments, exclusive of any unamortized original issue discounts and debt issuance costs, due on long-term debt as of September 30, 2016 are as follows:

**Year Ending December 31:**

2016 (remainder of)	\$	2.8
2017		11.0
2018		11.0
2019		11.0
2020		11.0
Thereafter		1,028.5
	\$	<u>1,075.3</u>

**9. Commitments and Contingencies****Litigation**

From time-to-time, we are a party to litigation and subject to claims incident to the ordinary course of business, including intellectual property claims, labor and employment claims, breach of contract claims and other asserted and unasserted claims. We investigate claims as they arise and accrue estimates for resolution of legal and other contingencies when losses are probable and estimable. The amounts currently accrued for such matters are not material. While the results of such normal course claims and legal proceedings cannot be predicted with certainty, management does not believe, based on current knowledge and the likely timing of resolution of various matters, any additional reasonably possible potential losses above the amounts accrued for such matters would be material to our consolidated financial statements. Regardless of the outcome, legal proceedings may have an adverse effect on us because of defense costs, diversion of management resources and other factors.

**Indemnifications**

In the normal course of business, we have made indemnities under which we may be required to make payments in relation to certain transactions, including to our directors and officers to the maximum extent permitted under applicable state laws and indemnifications related to certain lease agreements. In addition, certain advertiser and reseller partner agreements contain indemnification provisions, which are generally consistent with those prevalent in the industry. We have not incurred material obligations under indemnification provisions historically, and do not expect to incur material obligations in the future. Accordingly, we have not recorded any liabilities related to such indemnities as of September 30, 2016 and December 31, 2015 .

We include service level commitments to our customers guaranteeing certain levels of uptime reliability and performance for our hosting and premium DNS products. These guarantees permit those customers to receive credits in the event we fail to meet those levels, with exceptions for certain service interruptions including but not limited to periodic maintenance. We have not incurred any material costs as a result of such commitments during any of the periods presented, and have not recorded any liabilities related to such obligations as of September 30, 2016 and December 31, 2015 .

**Indirect Taxes**

We are subject to indirect taxation in some, but not all, of the various states and foreign jurisdictions in which we conduct business. Laws and regulations attempting to subject communications and commerce conducted over the Internet to various indirect taxes are becoming more prevalent, both in the U.S. and internationally, and may impose additional burdens on us in the future. Increased regulation could negatively affect our business directly, as well as the businesses of our customers. Taxing authorities may impose indirect taxes on the Internet-related revenue we generate based on regulations currently being applied to similar, but not directly comparable, industries. There are many transactions and calculations where the ultimate indirect tax determination is uncertain. In addition, domestic and international indirect taxation laws are complex and subject to change. We may be audited in the future, which could result in changes to our indirect tax estimates. We continually evaluate those jurisdictions in which nexus exists, and believe we maintain adequate indirect tax accruals.

As of September 30, 2016 and December 31, 2015 , our accrual for estimated indirect tax liabilities was \$5.1 million and \$7.1 million , respectively, reflecting our best estimate of the probable liability based on an analysis of our business

activities, revenues subject to indirect taxes and applicable regulations in each jurisdiction. Although we believe our indirect tax estimates and associated reserves are reasonable, the final determination of indirect tax audits and any related litigation could be different than the amounts established for indirect tax contingencies.

## **10. Income Taxes**

We are required to file federal and applicable state corporate income tax returns and recognize income taxes on pre-tax income. Desert Newco has been and will continue to be treated as a partnership for U.S. income tax purposes. As such, Desert Newco is considered a pass-through entity and generally does not pay income taxes on its taxable income in most jurisdictions. Instead, Desert Newco's members, of which we are one, are liable for U.S. federal and state income taxes based on their taxable income. Desert Newco is liable for income taxes in certain foreign jurisdictions, in those states not recognizing its pass-through status and for certain subsidiaries not taxed as pass-through entities. We have acquired the outstanding stock of various entities taxed as corporations, which are now owned 100% by us or our subsidiaries and are treated as an independent consolidated group for federal income tax purposes. Where required or allowed, these subsidiaries also file as a consolidated group for state income tax purposes. We anticipate this structure to remain in existence for the foreseeable future.

Our effective tax rate differs from statutory rates primarily due to Desert Newco's pass-through structure for U.S. income tax purposes, while being treated as taxable in certain states and various foreign jurisdictions as well as for certain subsidiaries. In all foreign jurisdictions where we conduct business, except Canada, we are subject to income tax in both the U.S. and the foreign jurisdictions.

Based on our limited operating history and future projections of taxable income, we believe there is significant uncertainty as to when we will be able to utilize the net operating loss (NOL) and credit carryforwards and other tax attributes received through our IPO and related pre-IPO organizational transactions. Therefore, we have concluded it is more-likely-than-not these deferred tax assets will not be realized and have recorded a valuation allowance against these deferred tax assets. Net deferred tax assets associated with our subsidiaries taxed as corporations are considered by management to be more-likely-than-not of being realized; therefore, we have not recorded a valuation allowance against such deferred tax assets.

Based on our analysis of tax positions taken on income tax returns filed, we have determined a liability related to uncertain income tax positions is not required. Although we believe the amounts reflected in our tax returns substantially comply with applicable federal, state and foreign tax regulations, the respective taxing authorities may take contrary positions based on their interpretation of the law. A tax position successfully challenged by a taxing authority could result in an adjustment to our provision or benefit for income taxes in the period in which a final determination is made.

## **11. Payable to Related Parties Pursuant to the TRAs**

As of December 31, 2015, our liability under the TRAs was \$151.6 million, representing approximately 85% of the calculated tax savings based on the portion of the original basis adjustments (the OBAs) we anticipated being able to utilize in future years. During the nine months ended September 30, 2016, we increased this liability through 1) a \$38.5 million reduction of additional paid-in capital resulting from the completion of the April 2016 secondary offering in which certain Desert Newco owners exchanged an aggregate of 10,382 LLC Units (together with the corresponding shares of Class B common stock) for an equivalent number of shares of our Class A common stock at a price of \$30.25 per share and 2) a \$14.4 million charge to our consolidated statement of operations, which was primarily due to: i) an increase in our ownership of Desert Newco, ii) the finalization of Desert Newco's 2015 taxable income allocated to us and iii) a change in forecasted 2016 taxable income. During the three months ended September 30, 2016, we also reduced this liability through a \$5.0 million benefit to our consolidated statement of operations resulting from the correction of an immaterial error related to our accounting for this liability at June 30, 2016. As of September 30, 2016, the liability under the TRAs was \$199.5 million.

The projection of future taxable income involves significant judgment. Actual taxable income may differ from our estimates, which could significantly impact the liability under the TRAs. We have determined it is more-likely-than-not we will be unable to utilize all of our deferred tax assets subject to the TRAs; therefore, we have not recorded a liability under the TRAs related to the tax savings we may realize from the utilization of NOL carryforwards and the amortization related to basis adjustments under Code Section 754 created by exchanges of LLC Units, including those exchanged in the secondary offering. If utilization of these deferred tax assets becomes more-likely-than-not in the future, at such time, we will record liabilities under the TRAs of up to an additional \$162.5 million as a result of basis adjustments under Code Section 754 and up to an additional \$147.8 million related to the tax attributes received in the pre-IPO organizational transactions and also generated by post-IPO activity, which will be recorded through charges to our consolidated statement of operations. However, if these tax attributes are not utilized in future years, it is reasonably possible no amounts would be paid under the TRAs.

## 12. Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) attributable to GoDaddy Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted income (loss) per share is computed giving effect to all potentially dilutive shares, including outstanding options, RSUs, warrants and ESPP shares. In periods when we have a net loss, potentially issuable shares are excluded from the calculation of earnings per share as their inclusion would have an antidilutive effect.

For purposes of calculating loss per share for periods prior to the IPO, we treated the pre-IPO organizational transactions as a merger of entities under common control. Therefore, we have retrospectively reflected loss per share as though those transactions had occurred as of the earliest period presented. For all periods prior to the IPO, we allocated our historical net loss between the Class A stockholders and the non-controlling interest based on their respective share ownership. These calculations do not consider the 26,000 shares of Class A common stock sold in our IPO.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net income (loss) per share is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Numerator:				
Net income (loss)	\$ 8.3	\$ (5.2)	\$ (21.1)	\$ (119.9)
Less: net income (loss) attributable to non-controlling interests	3.5	(2.7)	(6.5)	(74.0)
Net income (loss) attributable to GoDaddy Inc.	\$ 4.8	\$ (2.5)	\$ (14.6)	\$ (45.9)
Denominator:				
Weighted-average shares of Class A common stock outstanding—basic	83,733	64,999	77,170	56,153
Effect of dilutive securities	13,010	—	—	—
Weighted-average shares of Class A Common stock outstanding—diluted	96,743	64,999	77,170	56,153
Net income (loss) per share of Class A common stock—basic	\$ 0.06	\$ (0.04)	\$ (0.19)	\$ (0.82)
Net income (loss) per share of Class A common stock - diluted	\$ 0.05	\$ (0.04)	\$ (0.19)	\$ (0.82)

The following number of weighted-average potentially dilutive shares were excluded from the calculation of diluted income (loss) per share because the effect of including such potentially dilutive shares would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Options, RSUs, warrants and ESPP shares	—	15,731	14,680	14,693

Shares of Class B common stock do not share in our earnings and are not participating securities. Accordingly, separate presentation of income (loss) per share of Class B common stock under the two-class method has not been presented. Each share of Class B common stock (together with a corresponding LLC Unit) is exchangeable for one share of Class A common stock. Total shares outstanding were as follows:

	September 30,	December 31, 2015
	2016	
Class A common stock	86,413	67,083
Class B common stock	78,921	90,398
	165,334	157,481

**13. Geographic Information**

Revenue by geography is based on the customer's billing address, and was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
U.S.	\$ 342.9	\$ 304.7	\$ 999.8	\$ 877.7
International	129.2	106.4	362.2	304.2
	<u>\$ 472.1</u>	<u>\$ 411.1</u>	<u>\$ 1,362.0</u>	<u>\$ 1,181.9</u>

No individual international country represented more than 10% of total revenue in any period presented. Substantially all of our assets are located in the U.S.

**14. Related Party Transactions****Tax Distributions to Desert Newco's Owners**

Desert Newco is subject to an operating agreement containing numerous provisions related to allocations of income and loss, as well as timing and amounts of distributions to its owners. This agreement also includes a provision requiring cash distributions enabling its owners to pay their taxes on income passing through from Desert Newco. These tax distributions are computed based on an assumed income tax rate equal to the sum of (i) the maximum marginal federal income tax rate applicable to an individual and (ii) 7%. The assumed income tax rate currently totals 46.6%, which will increase to 50.4% in certain cases when the tax on net investment income is applicable.

In addition, under the tax rules, Desert Newco is required to allocate taxable income disproportionately to its unit holders. Because tax distributions are determined based on the holder of LLC Units who is allocated the largest amount of cumulative taxable income for the current year on a per unit basis, but are made pro rata based on ownership, Desert Newco is required to make tax distributions that, in the aggregate, will likely exceed the amount of taxes Desert Newco would have otherwise paid.

As of December 31, 2015, our accrual for tax distributions related to estimated taxable income allocations to Desert Newco's owners for 2015, excluding us, was \$5.3 million. In March 2016, following the finalization of 2015 taxable income allocated to each Desert Newco owner, we paid \$4.6 million of such distributions based on ownership as of the payment date as follows: \$1.8 million to YAM, \$1.0 million to Silver Lake, \$1.0 million to KKR, \$0.5 million to TCV and \$0.3 million to other Desert Newco owners. The remaining accrual was reversed to additional paid-in capital.

As of March 31, 2016, we had accrued \$5.8 million, with an offsetting reduction in additional paid-in capital, for tax distributions related to estimated taxable income allocations to Desert Newco's owners for the first quarter of 2016, excluding us. In April 2016, we paid \$2.3 million to YAM, \$1.3 million to Silver Lake, \$1.2 million to KKR, \$0.7 million to TCV and \$0.3 million to other Desert Newco owners.

An accrual for tax distributions was not required as of September 30, 2016.

**Sponsors**

Amounts paid to affiliates of KKR related to their participation as lenders under our Credit Facility were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Principal	\$ —	\$ 0.1	\$ 0.1	\$ 5.2
Interest and other fees	0.1	0.3	0.7	1.1

As of September 30, 2016 and December 31, 2015, affiliates of KKR held \$0 and \$28.8 million, respectively, of the outstanding principal balance of the Term Loan as participating lenders.

On December 16, 2011 , we entered into a transaction and monitoring fee agreement with affiliates of certain of the Sponsors pursuant to which those entities provided management and advisory services. In April 2015 , we made a final aggregate payment of \$26.7 million upon the termination of this agreement following the completion of the IPO, which was charged to general and administrative expenses. Following this payment, we have no further obligations under this agreement.

**Bob Parsons and YAM**

On December 16, 2011 , we entered into an executive chairman services agreement with Bob Parsons pursuant to which we were obligated to provide customary benefits and to reimburse up to \$0.5 million of business expenses annually. In April 2015 , we paid \$3.0 million upon the termination of this agreement following the completion of the IPO, which was charged to general and administrative expenses. Following this payment, we have no further obligations under this agreement.

During the three and nine months ended September 30, 2015 , we paid \$0 and \$9.2 million , respectively, of interest to YAM under a senior note, which was repaid in April 2015 . We also paid a \$13.5 million prepayment premium to YAM in connection with the repayment. Following this payment, the senior note was canceled.

**Other**

In the ordinary course of business, we purchase and lease computer equipment, technology licensing and software maintenance and support from affiliates of Dell Inc. (Dell) of which Silver Lake and its affiliates have a significant ownership interest. During the three months ended September 30, 2016 and 2015 , we paid \$3.0 million and \$4.3 million , respectively, to Dell. During the nine months ended September 30, 2016 and 2015 , we paid \$11.3 million and \$13.3 million , respectively, to Dell.

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

*The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q as well as our audited consolidated financial statements and related notes and the discussion in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our 2015 Form 10-K.*

*(Throughout this discussion and analysis, dollars are in millions unless otherwise noted.)*

### Third Quarter Financial Highlights

Below are our key financial highlights as of and for the three months ended September 30, 2016 . All comparisons are to the three months ended September 30, 2015 .

- Total revenue of \$472.1 million , an increase of 14.8% , or approximately 16.4% on a constant currency basis <sup>(1)</sup> .
- International revenue of \$129.2 million , an increase of 21.4% , or approximately 27.2% on a constant currency basis <sup>(1)</sup> .
- Total bookings <sup>(2)</sup> of \$534.3 million , an increase of 12.3% , or approximately 13.1% on a constant currency basis <sup>(1)</sup> .
- Net income was \$8.3 million .
- Total customers increased 7.2% to 14.5 million .
- Average revenue per user increased 6.5% to \$127 .
- Cash and cash equivalents were \$556.2 million .
- Net cash provided by operating activities was \$99.7 million .
- Capital expenditures were \$16.2 million .

<sup>(1)</sup> *Discussion of constant currency is set forth in "Quantitative and Qualitative Disclosures about Market Risk."*

<sup>(2)</sup> *A reconciliation of total bookings to total revenue, the most directly comparable GAAP financial measure, is set forth in "Reconciliation of Non-GAAP Financial Measure and Other Operating Metric" below.*

### Key Metrics

In addition to our results determined in accordance with GAAP, we believe EBITDA excluding equity-based compensation, a non-GAAP financial measure, and the other operating metrics below are useful as supplements in evaluating our ongoing operational performance and help provide an enhanced understanding of our past financial performance.

In addition to EBITDA excluding equity-based compensation, we also monitor the changes in deferred revenue and changes in the associated prepaid and accrued registry costs to facilitate a supplemental comparison of our performance from period to period. This is due to our business model in that we typically collect payment at the time of sale and generally recognize revenue ratably over the term of our customer contracts. At the time of a domain sale, we also incur the obligation for the domain name registry fees associated with the customer contract. As a result, sales to customers increase our deferred revenue and prepaid and accrued registry costs.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in millions, except customers in thousands and ARPU)			
Total bookings	\$ 534.3	\$ 475.6	\$ 1,630.7	\$ 1,450.2
Total customers at period end	14,547	13,572	14,547	13,572
Average revenue per user (ARPU)	\$ 127	\$ 119	\$ 127	\$ 119
EBITDA excluding equity-based compensation	\$ 80.9	\$ 61.2	\$ 192.1	\$ 80.5
Change in deferred revenue <sup>(1)</sup>	\$ 27.3	\$ 29.8	\$ 158.3	\$ 161.9
Change in prepaid and accrued registry costs <sup>(2)</sup>	\$ (1.6)	\$ (4.0)	\$ (25.9)	\$ (32.8)

(1) Change in deferred revenue also includes the impact of realized gains or losses from the hedging of bookings in foreign currencies.

(2) Change in prepaid and accrued registry costs includes the changes in prepaid domain name registry fees, registry deposits and registry payables.

**Total bookings.** Total bookings represents cash receipts from the sale of products to customers in a given period before giving effect to certain adjustments, primarily net refunds granted in the period. Total bookings provides valuable insight into the sales of our products and the performance of our business since we typically collect payment at the time of sale and recognize revenue ratably over the term of our customer contracts. We report total bookings without giving effect to refunds granted in the period because refunds often occur in periods different from the period of sale for reasons unrelated to the marketing efforts leading to the initial sale. Accordingly, by excluding net refunds, we believe total bookings reflects the effectiveness of our sales efforts in a given period.

Total bookings increased 12.3% from \$475.6 million for the three months ended September 30, 2015 to \$534.3 million for the three months ended September 30, 2016 and increased 12.4% from \$1,450.2 million for the nine months ended September 30, 2015 to \$1,630.7 million for the nine months ended September 30, 2016. These increases were primarily driven by a 7.2% increase in total customers since September 30, 2015, a 3.9% increase in domains under management over the same period, continued increases in aftermarket domain sales, broadened customer adoption of non-domains products and a higher growth rate associated with our increased international presence, partially offset by the impact of adverse movements in foreign currency exchange rates.

**Total customers.** We define total customers as those, as of the end of a period, having an active subscription. A single user may be counted as a customer more than once if the user maintains active subscriptions in multiple accounts. Total customers is an indicator of the scale of our business and is a critical factor in our ability to increase our revenue base.

Total customers increased 7.2% from 13.6 million as of September 30, 2015 to 14.5 million as of September 30, 2016. Our customer growth primarily resulted from our increased international presence, our ongoing marketing and advertising initiatives and our enhanced and expanded product offerings.

**Average revenue per user (ARPU).** We calculate ARPU as total revenue during the preceding 12 month period divided by the average of the number of total customers at the beginning and end of the period. ARPU provides insight into our ability to sell additional products to customers, though the impact to date has been muted due to our continued growth in total customers.

ARPU increased 6.5% from \$119 for the period ended September 30, 2015 to \$127 for the period ended September 30, 2016, primarily due to broadened customer adoption of our products resulting in increased customer spend, revenue from acquired businesses and, to a lesser extent, the reduced impact of purchase accounting adjustments, partially offset by the impact of adverse movements in foreign currency exchange rates.

**EBITDA excluding equity-based compensation.** EBITDA excluding equity-based compensation is a supplemental measure of our operating performance allowing management, investors and others to evaluate and compare our core operating results and trends by removing the impact of our capital structure (interest expense from our outstanding long-term debt), asset base (depreciation and amortization), tax consequences (tax provision and TRA liability) and equity-based compensation. In addition to its use by management, we also believe it is a measure widely used by securities analysts, investors and others to evaluate the financial performance of our company and other companies in our industry. We calculate EBITDA excluding equity-based compensation as net income (loss) excluding depreciation and amortization, interest expense (net), provision (benefit) for income taxes and adjustments to the TRA liability and equity-based compensation expense. Other companies may calculate

EBITDA excluding equity-based compensation differently; therefore, our calculation may not be comparable to similarly titled measures of other companies in our industry.

EBITDA excluding equity-based compensation increased 32.2% from \$61.2 million for the three months ended September 30, 2015 to \$80.9 million for the three months ended September 30, 2016 and increased 138.6% from \$80.5 million for the nine months ended September 30, 2015 to \$192.1 million for the nine months ended September 30, 2016. These increases primarily resulted from our revenue growth, revenue from acquired businesses, improved operating efficiencies, and for the nine months ended, \$29.7 million of additional expenses recorded in 2015 related to certain termination payments paid to the Sponsors and Bob Parsons in connection with the completion of our IPO and the \$21.4 million loss on debt extinguishment recorded in 2015 as a result of the repayment of a senior note for YAM following the completion of our IPO.

#### **Reconciliation of Non-GAAP Financial Measure and Other Operating Metric**

Our non-GAAP financial measure, EBITDA excluding equity-based compensation, has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of our results under GAAP. There are a number of limitations related to the use of this non-GAAP financial measure versus its nearest GAAP equivalent. EBITDA excluding equity-based compensation is not a substitute for net income (loss). This non-GAAP financial measure may not provide information directly comparable to measures provided by other companies in our industry, as those other companies may calculate their non-GAAP financial measures differently. EBITDA excluding equity-based compensation also excludes certain recurring expenses that have been, and will continue to be, significant expenses of our business.

The following tables reconcile bookings and EBITDA excluding equity-based compensation to their most directly comparable GAAP financial measure.

	Three Months Ended September 30,		September 30,	
	2016	2015	2016	2015
<b>Total Bookings:</b>				
Total revenue	\$ 472.1	\$ 411.1	\$ 1,362.0	\$ 1,181.9
Change in deferred revenue <sup>(1)</sup>	27.3	29.8	158.3	161.9
Net refunds	35.4	34.3	108.8	104.8
Other	(0.5)	0.4	1.6	1.6
<b>Total bookings</b>	<b>\$ 534.3</b>	<b>\$ 475.6</b>	<b>\$ 1,630.7</b>	<b>\$ 1,450.2</b>

(1) Change in deferred revenue also includes the impact of realized gains or losses from the hedging of bookings in foreign currencies.

	Three Months Ended September 30,		September 30,	
	2016	2015	2016	2015
<b>EBITDA Excluding Equity-Based Compensation:</b>				
Net income (loss)	\$ 8.3	\$ (5.2)	\$ (21.1)	\$ (119.9)
Interest expense, net of interest income <sup>(1)</sup>	13.9	14.3	41.8	54.2
(Benefit) provision for income taxes and adjustments to the TRA liability	(2.2)	1.5	9.5	1.3
Depreciation and amortization	43.4	40.6	121.6	116.4
<b>EBITDA</b>	<b>63.4</b>	<b>51.2</b>	<b>151.8</b>	<b>52.0</b>
Equity-based compensation expense	17.5	10.0	40.3	28.5
<b>EBITDA excluding equity-based compensation</b>	<b>\$ 80.9</b>	<b>\$ 61.2</b>	<b>\$ 192.1</b>	<b>\$ 80.5</b>

(1) Interest income is included in "Other income (expense), net."

**Results of Operations**

The following tables set forth our consolidated results of operations for the periods presented and as a percentage of our total revenue for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue:				
Domains	\$ 236.6	\$ 215.0	\$ 685.3	\$ 622.7
Hosting and presence	174.1	150.8	502.0	436.5
Business applications	61.4	45.3	174.7	122.7
Total revenue	472.1	411.1	1,362.0	1,181.9
Costs and operating expenses:				
Cost of revenue (excluding depreciation and amortization)	169.2	144.0	485.7	420.9
Technology and development	72.3	67.3	214.2	201.2
Marketing and advertising	53.4	49.3	170.9	150.8
Customer care	59.8	54.8	183.6	167.2
General and administrative	52.8	44.2	153.8	168.6
Depreciation and amortization	43.4	40.6	121.6	116.4
Total costs and operating expenses	450.9	400.2	1,329.8	1,225.1
Operating income (loss)	21.2	10.9	32.2	(43.2)
Interest expense	(14.4)	(14.6)	(43.0)	(54.7)
Tax receivable agreements liability adjustment	1.3	(0.6)	(9.4)	(0.6)
Loss on debt extinguishment	—	—	—	(21.4)
Other income (expense), net	(0.7)	—	(0.8)	0.7
Income (loss) before income taxes	7.4	(4.3)	(21.0)	(119.2)
Benefit (provision) for income taxes	0.9	(0.9)	(0.1)	(0.7)
Net income (loss)	8.3	(5.2)	(21.1)	(119.9)
Less: net income (loss) attributable to non-controlling interests	3.5	(2.7)	(6.5)	(44.2)
Net income (loss) attributable to GoDaddy Inc.	\$ 4.8	\$ (2.5)	\$ (14.6)	\$ (75.7)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue:				
Domains	50.1 %	52.3 %	50.3 %	52.7 %
Hosting and presence	36.9 %	36.7 %	36.9 %	36.9 %
Business applications	13.0 %	11.0 %	12.8 %	10.4 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Costs and operating expenses:				
Cost of revenue (excluding depreciation and amortization)	35.8 %	35.0 %	35.7 %	35.6 %
Technology and development	15.3 %	16.4 %	15.7 %	17.1 %
Marketing and advertising	11.3 %	12.0 %	12.5 %	12.8 %
Customer care	12.7 %	13.3 %	13.5 %	14.1 %
General and administrative	11.2 %	10.9 %	11.3 %	14.3 %
Depreciation and amortization	9.2 %	9.9 %	8.9 %	9.8 %
Total costs and operating expenses	95.5 %	97.5 %	97.6 %	103.7 %
Operating income (loss)	4.5 %	2.5 %	2.4 %	(3.7)%
Interest expense	(3.1)%	(3.6)%	(3.2)%	(4.6)%
Tax receivable agreements liability adjustment	0.3 %	— %	(0.7)%	— %
Loss on debt extinguishment	— %	— %	— %	(1.8)%
Other income (expense), net	(0.1)%	— %	— %	0.1 %
Income (loss) before income taxes	1.6 %	(1.1)%	(1.5)%	(10.0)%
Benefit (provision) for income taxes	0.2 %	(0.2)%	— %	(0.1)%
Net income (loss)	1.8 %	(1.3)%	(1.5)%	(10.1)%
Less: net income (loss) attributable to non-controlling interests	0.8 %	(0.7)%	(0.4)%	(3.7)%
Net income (loss) attributable to GoDaddy Inc.	1.0 %	(0.6)%	(1.1)%	(6.4)%

### **Revenue**

We generate substantially all of our revenue from sales of product subscriptions, including domain registrations and renewals, hosting and presence offerings and business applications. Our subscription terms are typically one year, but can range from monthly terms to multi-annual terms of up to ten years depending on the product. We generally collect the full amount of subscription fees at the time of sale, but recognize revenue ratably over the applicable contract term.

Domains revenue primarily consists of revenue from the sale of domain registration subscriptions, domain add-ons and aftermarket domain sales. Domain registrations provide a customer with the exclusive use of a domain during the applicable contract term. After the contract term expires, unless renewed, the customer can no longer access the domain.

Hosting and presence revenue primarily consists of revenue from the sale of subscriptions for our website hosting products, website building products, online visibility products, security products and an online store.

Business applications revenue primarily consists of revenue from the sale of subscriptions for email accounts, online calendar, online data storage, third-party productivity applications and email marketing tools.

Revenue is presented net of refunds, and we maintain a reserve to provide for refunds granted to customers. Our reserve is an estimate based on historical refund experience. Refunds reduce deferred revenue at the time they are granted and result in a reduced amount of revenue recognized over the applicable subscription terms compared to the amount originally expected.

The following table presents our revenue during the three and nine months ended September 30, 2016 and 2015 :

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
	Domains	\$ 236.6	\$ 215.0	\$ 21.6	10%	\$ 685.3	\$ 622.7	\$ 62.6
Hosting and presence	174.1	150.8	23.3	15%	502.0	436.5	65.5	15%
Business applications	61.4	45.3	16.1	36%	174.7	122.7	52.0	42%
<b>Total revenue</b>	<b>\$ 472.1</b>	<b>\$ 411.1</b>	<b>\$ 61.0</b>	<b>15%</b>	<b>\$ 1,362.0</b>	<b>\$ 1,181.9</b>	<b>\$ 180.1</b>	<b>15%</b>

Total revenue increased \$61.0 million , or 14.8% , from \$411.1 million for the three months ended September 30, 2015 to \$472.1 million for the three months ended September 30, 2016 and increased \$180.1 million , or 15.2% , from \$1,181.9 million for the nine months ended September 30, 2015 to \$1,362.0 million for the nine months ended September 30, 2016 . These increases were primarily driven by growth in total customers and ARPU, as well as revenue from acquired businesses. Total customers increased 1.0 million , or 7.2% , to 14.5 million as of September 30, 2016 . The increase in customers impacted each of our revenue lines, as the additional customers purchased subscriptions across our product portfolio.

#### *Domains*

Domains revenue increased \$21.6 million , or 10.0% , from \$215.0 million for the three months ended September 30, 2015 to \$236.6 million for the three months ended September 30, 2016 . This increase was primarily attributable to a 3.9% increase in domains under management from 60.9 million as of September 30, 2015 to 63.3 million as of September 30, 2016 as well as increased aftermarket domain sales.

Domains revenue increased \$62.6 million , or 10.1% , from \$622.7 million for the nine months ended September 30, 2015 to \$685.3 million for the nine months ended September 30, 2016 . This increase was primarily attributable to the 3.9% increase in domains under management as well as increased aftermarket domain sales.

#### *Hosting and presence*

Hosting and presence revenue increased \$23.3 million , or 15.5% , from \$150.8 million for the three months ended September 30, 2015 to \$174.1 million for the three months ended September 30, 2016 . This increase was primarily attributable to an \$11.2 million increase in revenue from our website hosting and website building products and a \$7.3 million increase in revenue from sales of our security products.

Hosting and presence revenue increased \$65.5 million , or 15.0% , from \$436.5 million for the nine months ended September 30, 2015 to \$502.0 million for the nine months ended September 30, 2016 . This increase was primarily attributable to a \$35.0 million increase in revenue from our website hosting and website building products and a \$20.5 million increase in revenue from sales of our security products.

#### *Business applications*

Business applications revenue increased \$16.1 million , or 35.5% , from \$45.3 million for the three months ended September 30, 2015 to \$61.4 million for the three months ended September 30, 2016 and increased \$52.0 million , or 42.4% , from \$122.7 million for the nine months ended September 30, 2015 to \$174.7 million for the nine months ended September 30, 2016 . These increases were primarily driven by increased customer adoption of our expanded email and productivity solutions.

**Costs and Operating Expenses***Cost of revenue*

Costs of revenue are the direct costs we incur in connection with selling an incremental product to our customers. Substantially all cost of revenue relates to domain registration fees paid to the various domain registries, payment processing fees, third-party commissions and licensing fees for third-party productivity applications. Similar to our billing practices, we pay domain costs at the time of purchase for the life of each subscription, but recognize the costs of service ratably over the term of our customer contracts. The terms of registry pricing are established by agreements between registries and registrars, and can vary significantly depending on the TLD. We expect cost of revenue to increase in absolute dollars in future periods as we expand our domains business, increase our sales of third-party productivity applications and increase our customer base. Cost of revenue may increase or decrease as a percentage of total revenue, depending on the mix of products sold in a particular period and the sales and marketing channels used.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
			<b>Change</b>				<b>Change</b>	
	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>
Cost of revenue (excluding depreciation and amortization)	\$ 169.2	\$ 144.0	\$ 25.2	18%	\$ 485.7	\$ 420.9	\$ 64.8	15%

Cost of revenue increased \$25.2 million , or 17.5% , from \$144.0 million for the three months ended September 30, 2015 to \$169.2 million for the three months ended September 30, 2016 . This increase was primarily attributable to increased domain costs driven by the 3.9% increase in domains under management and higher costs associated with many new gTLD and aftermarket domain offerings, a \$7.2 million increase in software licensing fees primarily related to increased sales of email and productivity solutions as well as increased third-party commissions driven by increased aftermarket domain sales.

Cost of revenue increased \$64.8 million , or 15.4% , from \$420.9 million for the nine months ended September 30, 2015 to \$485.7 million for the nine months ended September 30, 2016 . This increase was primarily attributable to increased domain costs driven by the 3.9% increase in domains under management and higher costs associated with many new gTLD and premium domain offerings, a \$17.3 million increase in software licensing fees primarily related to increased sales of email and productivity solutions, increased third-party commissions driven by increased aftermarket domain sales as well as increased payment processing fees due to the overall bookings increase.

*Technology and development*

Technology and development expenses represent the costs associated with the creation, development and distribution of our products and websites. These expenses primarily consist of personnel costs associated with the design, development, deployment, testing, operation and enhancement of our products, as well as costs associated with the data centers and systems infrastructure supporting those products, excluding depreciation expense. We expect technology and development expense to increase in absolute dollars as we continue to enhance existing products, develop new products and geographically diversify our data center footprint. Technology and development expenses may increase or decrease as a percentage of total revenue depending on our level of investment in additional personnel and the expansion of our global infrastructure footprint. Our investments in additional technology and development expenses are made to enhance our integrated technology infrastructure and to support our new and enhanced product offerings and the overall growth of our business.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
			<b>Change</b>				<b>Change</b>	
	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>
Technology and development	\$ 72.3	\$ 67.3	\$ 5.0	7%	\$ 214.2	\$ 201.2	\$ 13.0	6%

Technology and development expenses increased \$5.0 million , or 7.4% , from \$67.3 million for the three months ended September 30, 2015 to \$72.3 million for the three months ended September 30, 2016 . This increase was primarily attributable to increased compensation-related costs driven by increased average headcount, including \$1.6 million of additional equity-based compensation expense from fully-vested RSU grants related to the ESPP offering period termination in 2016.

Technology and development expenses increased \$13.0 million , or 6.5% , from \$201.2 million for the nine months ended September 30, 2015 to \$214.2 million for the nine months ended September 30, 2016 . This increase was primarily

attributable to a \$10.1 million increase in compensation-related costs (including \$4.4 million of equity-based compensation expense) driven by increased average headcount as well as additional expenses to support our increased international presence and the overall growth of our business.

#### *Marketing and advertising*

Marketing and advertising expenses represent the costs associated with attracting and acquiring customers, primarily consisting of fees paid to third parties for marketing and advertising campaigns across television and radio, search engines, online display, social media and spokesperson and event sponsorships. These expenses also include personnel costs and affiliate program commissions. We expect marketing and advertising expenses to fluctuate both in absolute dollars and as a percentage of total revenue depending on the size and scope of our future campaigns, particularly related to new product introductions and the growth of our international business.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
			<b>Change</b>				<b>Change</b>	
			<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Marketing and advertising	\$ 53.4	\$ 49.3	\$ 4.1	8%	\$ 170.9	\$ 150.8	\$ 20.1	13%

Marketing and advertising expenses increased \$4.1 million , or 8.3% , from \$49.3 million for the three months ended September 30, 2015 to \$53.4 million for the three months ended September 30, 2016 and increased \$20.1 million , or 13.3% , from \$150.8 million for the nine months ended September 30, 2015 to \$170.9 million for the nine months ended September 30, 2016 . These increases were primarily attributable to increased discretionary advertising spend driven by our international growth.

#### *Customer care*

Customer care expenses represent the costs to advise and service our customers, primarily consisting of personnel costs. We expect these expenses to increase in absolute dollars in the future as we expand our domestic and international Customer Care teams due to increases in total customers. We expect Customer Care expenses to fluctuate as a percentage of total revenue depending on the level of personnel required to support the continued growth of our business.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
			<b>Change</b>				<b>Change</b>	
			<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Customer care	\$ 59.8	\$ 54.8	\$ 5.0	9%	\$ 183.6	\$ 167.2	\$ 16.4	10%

Customer care expenses increased \$5.0 million , or 9.1% , from \$54.8 million for the three months ended September 30, 2015 to \$59.8 million for the three months ended September 30, 2016 . This increase was primarily due to increased costs associated with the continued expansion of our international third-party Customer Care locations and \$1.0 million of additional equity-based compensation expense from fully-vested RSU grants related to the ESPP offering period termination in 2016.

Customer care expenses increased \$16.4 million , or 9.8% , from \$167.2 million for the nine months ended September 30, 2015 to \$183.6 million for the nine months ended September 30, 2016 . This increase was primarily due to a \$10.8 million increase in compensation-related costs driven by increased average headcount (including \$1.0 million of additional equity-based compensation expense from fully-vested RSU grants related to the ESPP offering period termination in 2016) as well as increased costs associated with the continued expansion of our international third-party Customer Care locations.

#### *General and administrative*

General and administrative expenses primarily consist of personnel costs for our administrative functions, professional service fees, office rent for all locations, all employee travel expenses, sponsor-based costs and other general costs. We expect general and administrative expenses to increase in absolute dollars in the future as a result of our overall growth, increased personnel costs and public company expenses.

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In the nine months ended September 30, 2015, general and administrative expenses include \$29.7 million of additional expenses related to certain payments made following the completion of the IPO, including \$26.7 million paid to the Sponsors in connection with the termination of the transaction and monitoring fee agreement and \$3.0 million paid to Bob Parsons in connection with the termination of the executive chairman services agreement.

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2016	2015	\$	%	2016	2015	\$	%
General and administrative	\$ 52.8	\$ 44.2	\$ 8.6	19%	\$ 153.8	\$ 168.6	\$ (14.8)	(9)%

General and administrative expenses increased \$8.6 million, or 19.5%, from \$44.2 million for the three months ended September 30, 2015 to \$52.8 million for the three months ended September 30, 2016. This increase was primarily due to a \$6.5 million increase in compensation-related costs (including \$3.4 million of equity-based compensation expense) driven by increased average headcount as well as immaterial increases in a variety of general expenses to support the overall growth of our business.

General and administrative expenses decreased \$14.8 million, or 8.8%, from \$168.6 million for the nine months ended September 30, 2015 to \$153.8 million for the nine months ended September 30, 2016. Excluding the termination payments discussed above, general and administrative expenses increased \$14.9 million, or 10.7%, from \$138.9 million for the nine months ended September 30, 2015 to \$153.8 million for the nine months ended September 30, 2016. This increase was primarily due to an \$11.1 million increase in compensation-related costs (including \$5.2 million of equity-based compensation expense) driven by increased average headcount as well as immaterial increases in a variety of general expenses to support the overall growth of our business.

*Depreciation and amortization*

Depreciation and amortization expenses consist of charges relating to the depreciation of the property and equipment used in our business and the amortization of acquired intangible assets. Depreciation and amortization may increase or decrease in absolute dollars in future periods depending on our future level of capital investments in hardware and other equipment as well as amortization expense associated with future acquisitions.

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2016	2015	\$	%	2016	2015	\$	%
Depreciation and amortization	\$ 43.4	\$ 40.6	\$ 2.8	7%	\$ 121.6	\$ 116.4	\$ 5.2	4%

There were no material changes in depreciation and amortization expense between the periods presented.

*Interest expense*

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2016	2015	\$	%	2016	2015	\$	%
Interest expense	\$ 14.4	\$ 14.6	\$ (0.2)	(1)%	\$ 43.0	\$ 54.7	\$ (11.7)	(21)%

Interest expense decreased \$11.7 million, or 21.4%, from \$54.7 million for the nine months ended September 30, 2015 to \$43.0 million for the nine months ended September 30, 2016, primarily driven by interest savings resulting from our repayment of a senior note to YAM in April 2015.

*Loss on debt extinguishment*

In April 2015, we recognized a \$21.4 million loss on debt extinguishment as a result of the repayment of a senior note to YAM, which consisted of prepayment premium of \$13.5 million and the write-off of \$7.1 million of unamortized original issue discount and \$0.8 million of deferred financing costs.

## Liquidity and Capital Resources

### *Overview*

Excluding our IPO proceeds, our principal sources of liquidity have been cash flow generated from operations, long-term debt borrowings and stock option exercises. Our principal uses of cash have been to fund operations, acquisitions and capital expenditures, as well as make distributions to holders of LLC Units, interest payments and mandatory principal payments on our long-term debt.

In general, we seek to deploy our capital in a systematically prioritized manner focusing first on requirements for operations, then on growth investments, and finally on equity holder returns. Our strategy is to deploy capital from any potential source, whether debt, equity or internally generated cash, depending on the adequacy and availability of the source of capital and which source may be used most efficiently and at the lowest cost at such time. Therefore, while cash from operations is our primary source of operating liquidity and we believe our internally-generated cash flows are sufficient to support our day-to-day operations, we may use a variety of capital sources to fund our needs for less predictable investment decisions such as strategic acquisitions and share repurchases.

We have incurred long-term debt, including under the Credit Facility described below, to fund acquisitions and for our working capital needs. As a result of our debt, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities, strategic acquisitions or share repurchases. However, the restrictions under our Credit Facility are subject to a number of qualifications and may be amended with lender consent.

We believe our existing cash and cash equivalents and internally-generated cash flows will be sufficient to meet our anticipated operating cash needs for at least the next 12 months. However, our future capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support domestic and international development efforts, continued brand development and advertising spend, the expansion of Customer Care and general and administrative activities, the introduction of new and enhanced product offerings, the costs to support new and replacement capital equipment, the completion of strategic acquisitions or share repurchases. Should we pursue strategic acquisitions or share repurchases, we may need to raise additional capital, which may be in the form of additional long-term debt or equity financings.

In May 2016, we entered into a definitive agreement to acquire Freedom Voice Systems, Inc., a provider of cloud-based communications systems for small to mid-sized businesses, for \$42.0 million in cash and additional contingent earn-out payments of up to an additional \$5.0 million payable upon the achievement of specified milestones. The acquisition is subject to a number of closing conditions, including obtaining regulatory approvals, and is expected to be completed before the end of 2016.

### *Credit Facility*

Our Credit Facility consists of the \$1,100.0 million Term Loan maturing on May 13, 2021 and the available \$150.0 million Revolving Credit Loan maturing on May 13, 2019, as described in Note 8 to our consolidated financial statements included in Part I, Item I of this Quarterly Report on Form 10-Q.

The Credit Facility is subject to customary fees for loan facilities of this type, including a commitment fee on the Revolving Credit Loan. The Term Loan is required to be repaid in quarterly installments of 0.25% of the original principal, with the balance due at maturity. The Term Loan must be repaid with proceeds from certain asset sales and debt issuances and with a portion of our excess cash flow, up to 50.0%, depending on our net leverage ratio. The Credit Facility is guaranteed by all of our material domestic subsidiaries and is secured by substantially all of our and such subsidiaries' real and personal property.

The Credit Facility contains covenants restricting, among other things, our ability, or the ability of our subsidiaries, to incur indebtedness, issue certain types of equity, incur liens, enter into fundamental changes including mergers and consolidations, sell assets, make restricted payments including dividends, distributions and investments, prepay junior indebtedness and engage in operations other than in connection with acting as a holding company, subject to customary exceptions. The Revolving Credit Loan also contains a financial covenant requiring us to maintain a maximum net leverage ratio of 7.25:1.00 at all times our usage exceeds 30.0% of the maximum capacity. The net leverage ratio is calculated as the ratio of first lien secured debt less cash and cash equivalents to consolidated EBITDA (as defined in the Credit Facility). As of September 30, 2016, we were in compliance with all such covenants and had no amounts drawn on the Revolving Credit Loan.

### ***Tax Receivable Agreements***

We are a party to five TRAs. Under four of these agreements, we are generally required to pay to certain pre-IPO owners approximately 85% of the amount of savings, if any, in U.S. federal, state and local income tax we are deemed to realize (using the actual U.S. federal income tax rate and an assumed combined state and local income tax rate) as a result of (1) any existing tax attributes associated with LLC Units acquired in the pre-IPO organizational transactions, the benefit of which is allocable to us as a result of such transactions (including the allocable share of Desert Newco's existing tax basis in its assets), (2) NOLs available as a result of such transactions and (3) tax benefits related to imputed interest. Under the fifth of these agreements, we are generally required to pay to our existing owners approximately 85% of the amount of savings, if any, in income tax we are deemed to realize as a result of (1) any step-up in tax basis created as a result of exchanges of their LLC Units for shares of our Class A common stock, (2) any existing tax attributes associated with their LLC Units, the benefit of which is allocable to us as a result of such exchanges (including existing tax basis in Desert Newco's assets), (3) tax benefits related to imputed interest and (4) payments under the TRA.

As of December 31, 2015, our liability under the TRAs was \$151.6 million, representing approximately 85% of the calculated tax savings based on the portion of the OBAs we anticipated being able to utilize in future years.

In April 2016, we completed a secondary offering in which certain stockholders sold an aggregate of 18,975 shares of our Class A common stock at a public offering price of \$30.25 per share. We did not receive any of the proceeds from the sale of these shares. The offering also included the exchange of 10,382 LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by certain selling stockholders.

During the nine months ended September 30, 2016, we increased this liability through 1) a \$38.5 million reduction of additional paid-in capital resulting from the completion of the April 2016 secondary offering in which certain Desert Newco owners exchanged an aggregate of 10,382 LLC Units (together with the corresponding shares of Class B common stock) for an equivalent number of shares of our Class A common stock at a price of \$30.25 per share and 2) a \$14.4 million charge to our consolidated statement of operations, which was primarily due to: i) an increase in our ownership of Desert Newco, ii) the finalization of Desert Newco's 2015 taxable income allocated to us and iii) a change in forecasted 2016 taxable income. During the three months ended September 30, 2016, we also reduced this liability through a \$5.0 million benefit to our consolidated statement of operations resulting from the correction of an immaterial error related to our accounting for this liability at June 30, 2016. As of September 30, 2016, the liability under the TRAs was \$199.5 million.

We have determined it is more-likely-than-not we will be unable to utilize all of our deferred tax assets subject to the TRAs; therefore, we have not recorded a liability under the TRAs related to the tax savings we may realize from the utilization of NOL carryforwards and the amortization related to basis adjustments under Code Section 754 created by exchanges of LLC Units, including those exchanged in the secondary offering. If utilization of these deferred tax assets becomes more-likely-than-not in the future, at such time, we will record liabilities under the TRAs of up to an additional \$162.5 million as a result of basis adjustments under Code Section 754 and up to an additional \$147.8 million related to the tax attributes received in the pre-IPO organizational transactions and also generated by post-IPO activity, which will be recorded through charges to our consolidated statement of operations. However, if these tax attributes are not utilized in future years, it is reasonably possible no amounts would be paid under the TRAs.

We may record additional liabilities under the TRAs when LLC Units are exchanged in the future and as our estimates of the future utilization of the tax attributes, NOLs and other tax benefits change. We expect to make payments under the TRAs, to the extent they are required, within 150 days after our federal income tax return is filed for each fiscal year. Interest on such payments will begin to accrue from the due date (without extensions) of such tax return at a rate equal to the one year LIBOR plus 100 basis points. Under the TRAs, to avoid interest charges, we have the right, but not the obligation, to make TRA payments in advance of the date the payments are otherwise due. We currently do not expect to begin making payments related to the existing liability under the TRAs until 2018. See Note 10 to our condensed consolidated financial statements for further discussion of this liability.

Because we are a holding company with no operations, we rely on Desert Newco to provide us with funds necessary to meet any financial obligations. If we do not have sufficient funds to pay TRA, tax or other liabilities or to fund our operations (as a result of Desert Newco's inability to make distributions to us due to various limitations and restrictions or as a result of the acceleration of our obligations under the TRAs), we may have to borrow funds and thus our liquidity and financial condition could be materially and adversely affected. To the extent we are unable to make payments under the TRAs for any reason, such payments will be deferred and will accrue interest at a rate equal to one year LIBOR plus 500 basis points until paid (although a

rate equal to one year LIBOR plus 100 basis points will apply if the inability to make payments under the TRAs is due to limitations imposed on us or any of our subsidiaries by a debt agreement in effect at the date of our IPO).

### ***Tax Distributions to Desert Newco's Owners***

Tax distributions are required under the terms of Desert Newco's limited liability company agreement. Any required payments are calculated each quarter based on a number of variables, including Desert Newco's taxable income or loss, allocations of taxable income among Desert Newco's owners based on principles detailed within the Treasury Regulations, tax deductions for stock option exercises and vested RSUs and changing ownership percentages among Desert Newco's owners. In addition, under the tax rules, Desert Newco is required to allocate taxable income disproportionately to its unit holders. Because tax distributions are determined based on the holder of LLC Units who is allocated the largest amount of cumulative taxable income on a per unit basis, but are made pro rata based on ownership, Desert Newco is required to make tax distributions that, in the aggregate, will likely exceed the amount of taxes Desert Newco would have otherwise paid.

As of December 31, 2015, our accrual for tax distributions related to estimated taxable income allocations to Desert Newco's owners for 2015, excluding us, was \$5.3 million. In March 2016, following the finalization of 2015 taxable income allocated to each Desert Newco owner, we paid \$4.6 million of such distributions based on ownership as of the payment date as follows: \$1.8 million to YAM, \$1.0 million to Silver Lake, \$1.0 million to KKR, \$0.5 million to TCV and \$0.3 million to other Desert Newco owners. The remaining accrual was reversed to additional paid-in capital.

As of March 31, 2016, we had accrued \$5.8 million, with an offsetting reduction in additional paid-in capital, for tax distributions related to estimated taxable income allocations to Desert Newco's owners for the first quarter of 2016, excluding us. In April 2016, we paid \$2.3 million to YAM, \$1.3 million to Silver Lake, \$1.2 million to KKR, \$0.7 million to TCV and \$0.3 million to other Desert Newco owners.

An accrual for tax distributions was not required as of September 30, 2016. We may be required to make additional payments to Desert Newco's owners related to taxable income allocations for the remainder of 2016. However, because the calculation of such payments is based on future taxable income and other variables, there is significant uncertainty as to whether or not such distributions will be required.

### **Cash Flows**

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

	<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
Net cash provided by operating activities	\$ 297.4	\$ 198.1
Net cash used in investing activities	(105.8)	(88.8)
Net cash provided by financing activities	16.6	79.5
Effect of exchange rate changes on cash and cash equivalents	—	(0.1)
Net increase in cash and cash equivalents	<u>\$ 208.2</u>	<u>\$ 188.7</u>

### ***Operating Activities***

Our primary source of cash from operating activities has been cash collections from our customers. We expect cash inflows from operating activities to be primarily affected by increases in total bookings. Our primary uses of cash from operating activities have been for domain registration costs paid to registries, personnel costs, discretionary marketing and advertising costs, technology and development costs and interest payments. We expect cash outflows from operating activities to be affected by the timing of payments we make to registries and increases in personnel and other operating costs as we continue to grow our business and increase our international presence.

Net cash provided by operating activities increased \$99.3 million from \$198.1 million during the nine months ended September 30, 2015 to \$297.4 million during the nine months ended September 30, 2016, primarily due to a \$75.4 million improvement in our operating income (loss) and a \$12.3 million reduction in interest payments primarily resulting from the repayment of a senior note to YAM in April 2015.

### ***Investing Activities***

Our investing activities primarily consist of strategic acquisitions and purchases of property and equipment related to growth in our data centers and to support the overall growth of our business and our increased international presence. We expect our investing cash flows to be affected by the timing of payments we make for capital expenditures and the strategic acquisition or other growth opportunities we decide to pursue.

Net cash used in investing activities increased \$17.0 million from \$88.8 million during the nine months ended September 30, 2015 to \$105.8 million during the nine months ended September 30, 2016, primarily due to a \$27.2 million increase in business acquisitions and an \$ 8.5 million increase in capital expenditures, partially offset by a \$22.5 million purchase of intangible assets in 2015.

### ***Financing Activities***

Excluding our IPO proceeds, our financing activities primarily consist of the repayment of principal on long-term debt, stock option activity and the payment of tax distributions to holders of LLC Units.

Net cash provided by financing activities decreased \$62.9 million from \$79.5 million during the nine months ended September 30, 2015 to \$16.6 million during the nine months ended September 30, 2016. This decrease was primarily due to the receipt of net IPO proceeds of \$482.4 million in 2015, partially offset by the repayment of long-term debt of \$375.0 million and the payment of debt extinguishment fees of \$13.5 million in 2015 and a \$44.7 million increase in proceeds received from stock option and warrant exercises.

### ***Deferred Revenue***

Deferred revenue consists of sales for products not yet recognized as revenue at the end of a period. Deferred revenue as of September 30, 2016 was \$1,571.7 million, and is expected to be recognized as revenue as follows:

	<b>Remainder of 2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Thereafter</b>	<b>Total</b>
Domains	\$ 200.0	\$ 383.9	\$ 121.5	\$ 58.4	\$ 35.3	\$ 46.6	\$ 845.7
Hosting and presence	144.9	250.8	88.8	31.1	10.1	8.1	533.8
Business applications	53.8	92.7	28.0	10.5	4.0	3.2	192.2
	<u>\$ 398.7</u>	<u>\$ 727.4</u>	<u>\$ 238.3</u>	<u>\$ 100.0</u>	<u>\$ 49.4</u>	<u>\$ 57.9</u>	<u>\$ 1,571.7</u>

### **Off-Balance Sheet Arrangements**

As of September 30, 2016 and December 31, 2015, we had no off-balance sheet arrangements that had, or which are reasonably likely to have, a material effect on our consolidated financial statements.

### **Critical Accounting Policies and Estimates**

We prepare our consolidated financial statements in accordance with GAAP, and in doing so, we have to make estimates, assumptions and judgments affecting the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosure of contingent assets and liabilities. We base our estimates, assumptions and judgments on historical experience and on various other factors we believe to be reasonable under the circumstances, and we evaluate these estimates, assumptions and judgments on an ongoing basis. Different assumptions and judgments would change the estimates used in the preparation of our consolidated financial statements, which, in turn, could change our results from those reported. We refer to estimates, assumptions and judgments of this type as our critical accounting policies and estimates, which we discuss in our 2015 Form 10-K. We review our critical accounting policies and estimates with the audit committee of our board of directors on an annual basis.

There have been no material changes in our critical accounting policies from those disclosed in our 2015 Form 10-K.

## Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 to our consolidated financial statements appearing in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and variable interest rates.

### *Foreign Currency Risk*

A portion of our bookings, revenue and operating expenses is denominated in foreign currencies, which are subject to exchange rate fluctuations. Our most significant foreign currency exposures are the Euro, the British pound, the Indian rupee and the Canadian dollar. Our reported bookings, revenues and operating results may be impacted by fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may also cause us to recognize transaction gains and losses in our consolidated statement of operations; however, to date, such amounts have not been material. As our international operations grow, our exposure to fluctuations in currency rates may increase, which may increase the costs associated with this growth. During the three months ended September 30, 2016, our total bookings growth in constant currency would have been approximately 80 basis points higher and total revenue growth would have been approximately 160 basis points higher. Constant currency is calculated by translating bookings and revenue for each month in the current period using the foreign currency exchange rate for the corresponding month in the prior period, excluding any hedging gains or losses realized during the period.

We utilize foreign exchange forward contracts to manage the volatility of our bookings and revenue related to foreign currency transactions. These forward contracts reduce, but do not eliminate, the impact of adverse currency exchange rate fluctuations. We designate these forward contracts as cash flow hedges for accounting purposes. Changes in the intrinsic value of these hedges are recorded as a component of accumulated other comprehensive income. Gains and losses, once realized, are recorded as a component of accumulated other comprehensive income and are amortized to revenue over the same period in which the underlying hedged amounts are recognized. At September 30, 2016, the total notional amount of such contracts was \$26.1 million, all having remaining maturities of 3 months or less, and the realized and unrealized gain included in accumulated other comprehensive income totaled \$3.0 million.

### *Interest Rate Sensitivity*

Interest rate risk reflects our exposure to movements in interest rates associated with our borrowings. Borrowings under the Credit Facility bear interest at a rate equal to, at our option, either (a) LIBOR (not less than 1.0% for the Term Loan only) plus 3.25% per annum or (b) 2.25% per annum plus the highest of (i) the Federal Funds Rate plus 0.5%, (ii) the Prime Rate or (iii) one-month LIBOR plus 1.0%. Borrowings under the Term Loan were \$1,075.3 million as of September 30, 2016. The effect of a hypothetical 10% change in interest rates would not have had a material impact on our interest expense.

## **Item 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our CEO and CFO concluded that, as of September 30, 2016, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control Over Financial Reporting**

No changes in our internal control over financial reporting occurred during the quarter ended September 30, 2016 that materially affected, or which are reasonably likely to materially affect, our internal control over financial reporting.

### **Limitations on Effectiveness of Controls and Procedures**

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

## Part II - OTHER INFORMATION

### Item 1. Legal Proceedings

We are currently subject to litigation incidental to our business, including patent infringement litigation and trademark infringement claims, as well as other litigation of a non-material nature. Although the results of the lawsuits, claims and proceedings in which we are involved cannot be predicted with certainty, we do not believe the final outcome of these matters will have a material adverse effect on our business, financial condition or results of operations.

Regardless of the final outcome, defending lawsuits, claims and proceedings in which we are involved is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

### Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our 2015 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

Not applicable.

### Item 6 Exhibits

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q.

**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.

Date: November 3, 2016

**GODADDY INC.**

/s/ Ray E. Winborne

Ray E. Winborne  
Chief Financial Officer

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
4.1+*	GoDaddy Inc. 2015 Employee Stock Purchase Plan, as amended on June 27, 2016
10.1+ *	Employment Agreement, dated as of August 1, 2016, by and among GoDaddy.com, LLC, Desert Newco, LLC and Ray E. Winborne.
31.1 *	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 **	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
+	Indicates management contract or compensatory plan or arrangement.
*	Filed herewith.
**	The certifications attached as Exhibit 32.1 accompanying this Quarterly Report on Form 10-Q, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of GoDaddy Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

**GO DADDY INC.**  
**2015 EMPLOYEE STOCK PURCHASE PLAN**  
**AS AMENDED AS OF JUNE 27, 2016**

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## 1. Purpose.

The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a Code Section 423 Component (“423 Component”) and a non-Code Section 423 Component (“Non-423 Component”). The Company’s intention is to have 423 Component of the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code to the extent possible. The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of an option to purchase shares of Common Stock under the Non-423 Component that does not qualify as an “employee stock purchase plan” under Section 423 of the Code; such an option will be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to achieve tax, foreign exchange or securities laws or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component. The Company intends to issue options under the Non-423 Component unless and until it may issue options under the 423 Component that are eligible to satisfy the requirements of Section 423 of the Code.

## 2. Eligibility.

(a) First Offering Period. Any individual who is an Eligible Employee immediately prior to the first Offering Period will be automatically enrolled in the first Offering Period.

(b) Subsequent Offering Periods. Any Eligible Employee on a given Enrollment Date subsequent to the first Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 4.

(c) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, an Eligible Employee also may be excluded from participation in the Plan or an Offering if the Administrator determines in its discretion that participation of such Eligible Employee is not advisable or practicable.

(d) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds \$25,000 worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

## 3. Offering Periods.

The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after May 15 and November 15 each year, or on such other date as the Administrator will determine; provided, however, that the first Offering Period under the Plan will commence with the first Trading Day on or after the date upon which the Company’s Registration Statement is declared effective by the U.S. Securities and Exchange Commission and end on the first Trading Day on or after November 15, 2015. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than 27 months.

#### **4. Participation.**

(a) First Offering Period. An Eligible Employee will be entitled to continue to participate in the first Offering Period pursuant to Section 2(a) only if such individual submits a subscription agreement authorizing Contributions in a form determined by the Administrator (which may be similar to the form attached hereto as Exhibit A) to the Company's designated plan administrator (i) no earlier than the effective date of the Form S-8 registration statement with respect to the issuance of Common Stock under this Plan and (ii) no later than 10 business days following the effective date of such S-8 registration statement or such other period of time as the Administrator may determine (the "Enrollment Window"). An Eligible Employee's failure to submit the subscription agreement during the Enrollment Window will result in the automatic termination of such individual's participation in the first Offering Period.

(b) Subsequent Offering Periods. An Eligible Employee may participate in the Plan pursuant to Section 2(b) by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator.

#### **5. Contributions.**

(a) At the time a Participant enrolls in the Plan pursuant to Section 4, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount not exceeding 15% of the Compensation, which he or she receives on each pay day during the Offering Period (for illustrative purposes, should a pay day occur on an Exercise Date, a Participant will have any payroll deductions made on such day applied to his or her account under the then- current Purchase Period or Offering Period). The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check, wire transfer or other means set forth in the subscription agreement or approved in writing by the Administrator prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 9 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day prior to the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 9 hereof; provided, however, that for the first Offering Period, payroll deductions will commence on the first pay day on or following the end of the Enrollment Window.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 9. Except as may be permitted by the Administrator, as determined in its sole discretion, a Participant may not change the rate of his or her Contributions during an Offering Period.

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(d), a Participant's Contributions may be decreased to 0% at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(b) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 9.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Eligible Employees to participate in the Plan via cash contributions or other methods instead of payroll deductions if (i) payroll deductions are not permitted under applicable local law, (ii) the Administrator determines that cash contributions are permissible under Section 423 of the Code or (iii) for Participants participating in the Non-423 Component.

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

**6. Grant of Option.**

On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase under the Plan during each calendar year more than 3,000 (pre-split)/1,500 (post-split) shares of Common Stock (subject to any adjustment pursuant to Section 18) and provided further that such purchase will be subject to the limitations set forth in Sections 2(c) and 12. The Eligible Employee may accept the grant of such option (i) with respect to the first Offering Period by submitting a properly completed subscription agreement in accordance with the requirements of Section 4 on or before the last day of the Enrollment Window, and (ii) with respect to any subsequent Offering Period under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 4. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period of an Offering Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 9. The option will expire on the last day of the Offering Period.

**7. Exercise of Option.**

(a) Unless a Participant withdraws from the Plan as provided in Section 9, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 9. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, or (iii) 2,000,000 (pre-split)/1,000,000 (post-split) shares of Common Stock during any calendar year, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants

exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 19. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

**8. Delivery.**

As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 8.

**9. Withdrawal.**

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 4.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

**10. Termination of Employment.**

Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 14, and such Participant's option will be automatically terminated. Unless determined otherwise by the Administrator in a manner that, with respect to an Offering under the 423 Component, is permitted by, and compliant with, Section 423 of the Code, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company shall not be treated as terminated under the Plan; however, no Participant shall be deemed to switch from an Offering under the Non-423 Component to an Offering under the 423 Component or vice versa unless (and then only to the extent) such switch would not cause the 423 Component or any Option thereunder to fail to comply with Section 423 of the Code.

**11. Interest.**

No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, shall, with respect to Offerings under the 423 Component, apply to all Participants in the relevant Offering, except to the extent otherwise

permitted by U.S. Treasury Regulation Section 1.423-2(f).

**12. Stock.**

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 4,000,000 (pre-split)/2,000,000 (post-split) shares of Common Stock. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2016 Fiscal Year equal to the least of (i) 2,000,000 (pre-split)/1,000,000 (post-split) shares of Common Stock, (ii) 1% of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

(b) Until the shares of Common Stock are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will only have the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

**13. Administration.**

The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 12(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the employees eligible to participate in each sub-plan will participate in a separate Offering and will be in the Non-423 Component, unless such designation would cause the 423 Component to violate the requirements of Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

**14. Designation of Beneficiary.**

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's

death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 14(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

**15. Transferability.**

Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 14 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 9 hereof.

**16. Use of Funds.**

The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non- 423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's or the Employer's general corporate funds and/or deposited with an independent third party. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

**17. Reports.**

Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

**18. Adjustments, Dissolution, Liquidation, Merger or Change in Control.**

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 6 and 12.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator

will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 9 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period shall end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 9 hereof.

**19. Amendment or Termination.**

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 18). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 11 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 19(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

- (i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;
- (ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;
- (iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;
- (iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

**20. Notices.**

All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

**21. Conditions Upon Issuance of Shares.**

Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

**22. Code Section 409A.**

The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. The Non-423 Component of the Plan is intended to be exempt from the application of Code Section 409A as options granted thereunder are intended to constitute “short term deferrals” and any ambiguities herein will be interpreted such that those options shall so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant’s consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

**23. Term of Plan.**

The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect for a term of ten years, unless sooner terminated under Section 19.

**24. Stockholder Approval.**

The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

**25. Governing Law.**

The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

**26. No Right to Employment.**

Participation in the Plan by a Participant shall not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

**27. Severability.**

If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

**28. Compliance with Applicable Laws.**

The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

**29. Definitions.**

13. (a) “Administrator” means the Board or any Committee designated by the Board to administer the Plan pursuant to Section

(b) “Affiliate” means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

(c) “Applicable Laws” means the requirements relating to the administration of equity-based awards and the related issuance of shares of Common Stock under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable securities and exchange control laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) “Board” means the Board of Directors of the Company.

(e) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most

recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final U.S. Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(h) "Common Stock" means the Class A common stock of the Company.

(i) "Company" means Go Daddy Inc., a Delaware corporation, or any successor thereto.

(j) "Compensation" means an Eligible Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Company or any Designated Company (including, but not limited to, bonuses, commissions payments, compensation for services on the basis of a percentage of profits, and tips) but exclusive of payments for equity compensation income and other similar compensation, employee expense reimbursements, payments or allowances, fringe benefit allowances subject to tax withholding under Code Section 3401(a), taxable prizes and awards, taxable fringe benefits, compensation received from unfunded nonqualified deferred compensation plans, severance payments, and tax gross-ups on all excluded compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(k) "Contributions" means the payroll deductions and/or other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(l) "Designated Company" means any Subsidiary or Affiliate that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423

Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component shall not be a Designated Company under the Non-423 Component.

(m) “Director” means a member of the Board.

(n) “Eligible Employee” means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least 30 hours per week and more than 5 months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or for Eligible Employee participating in the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under applicable local laws. Where the period of leave exceeds 3 months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated 3 months and 1 day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (for each Offering under the 423 Component, on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least 2 years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than 30 hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than 5 months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering under the 423 Component in an identical manner to all highly compensated individuals of the Employer whose employees are participating in that Offering. Each exclusion shall be applied with respect to an Offering under a 423 Component in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). Such exclusions may be applied with respect to an Offering under the Non- 423 Component without regard to the limitations of Treasury Regulation Section 1.423-2.

(o) “Employer” means the employer of the applicable Eligible Employee(s).

(p) “Enrollment Date” means the first Trading Day of each Offering Period.

(q) “Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(r) “Exercise Date” means the first Trading Day on or after May 15 and November 15 of each Purchase Period. Notwithstanding the foregoing, the first Exercise Date under the Plan will be November 15, 2015.

(s) “Fair Market Value” means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the

last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator; or

(iv) For purposes of the Enrollment Date of the first Offering Period under the Plan, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock (the "Registration Statement").

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend or holiday, the Fair Market Value will be the price as determined in accordance with subsections (i) through (iii) above (as applicable) on the next business day, unless otherwise determined by the Administrator.

(t) "Fiscal Year" means the fiscal year of the Company.

(u) "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 3. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Periods" means the periods of approximately 6 months during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after May 15 and November 15 of each year and terminating on the first Trading Day on or after November 15 and May 15, approximately 6 months later; provided, however, that the first Offering Period under the Plan will commence with the first Trading Day on or after the date on which the U.S. Securities and Exchange Commission declares the Company's Registration Statement effective and will end on the first Trading Day on or after November 15, 2015, and provided, further, that the second Offering Period under the Plan will commence on the first Trading Day on or after November 15, 2015. The duration and timing of Offering Periods may be changed pursuant to Sections 3 and 19.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means an Eligible Employee that participates in the Plan.

(z) "Plan" means this Go Daddy Inc. 2015 Employee Stock Purchase Plan.

(aa) "Purchase Period" means the approximately 6-month period commencing after one Exercise Date and ending with the next Exercise Date. Unless the Administrator provides otherwise, the Purchase Period will have the same duration and coincide with the length of the Offering Period.

(bb) "Purchase Price" means an amount equal to 85% of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule) or pursuant to Section 19.

(cc) “Registration Date” means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 11(g) of the Exchange Act, with respect to any class of the Company’s securities.

(dd) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code

(ee) “Trading Day” means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(ff) “U.S. Treasury Regulations” means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

**EXHIBIT A**

**GO DADDY INC.**

**2015 EMPLOYEE STOCK PURCHASE PLAN  
SUBSCRIPTION AGREEMENT**

\_\_\_\_ Original Application                      Offering Date: \_\_\_\_\_

\_\_\_\_ Change in Payroll Deduction Rate

*Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Go Daddy Inc. 2015 Employee Stock Purchase Plan.*

1. I, \_\_\_\_\_, hereby elect to participate in the Go Daddy Inc. (the "Company") 2015 Employee Stock Purchase Plan (the "Plan") and subscribe to purchase shares of the Company's Common Stock in accordance with this 2015 Employee Stock Purchase Plan Subscription Agreement (the "Subscription Agreement") and the Plan.

2. I hereby authorize payroll deductions from each paycheck in the amount of \_\_\_\_\_ % of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan.

4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan. I understand that I am participating in the Non-423 Component of the Plan. The Company reserves the right to modify the Plan and to impose other requirements on my participation in the Plan, on the option and on any shares of Common Stock purchased under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. I agree to be bound by such modifications regardless of whether notice is given to me of such event, subject, in any case, to my right to withdrawal from participation in the Plan. I further agree to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

5. I understand the following paragraph applies to me if I am a U.S. taxpayer or subject to U.S. taxation : If I purchase any shares of Common Stock pursuant to an offering under the Plan, I understand that such purchase will likely result in me recognizing taxable ordinary income in the United States. The issuance of such shares will be subject to me making satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account or other tax-related items related to my participation in the Plan and legally applicable to me ("Tax-Related Items") that the Administrator determines must be withheld. *I hereby specifically authorize the Company and/or my employer (the "Employer") to withhold any Tax-Related Items from my wages or other cash compensation paid to me by the Company and/or the Employer and, until determined otherwise by the Company, this will be the method by which such tax withholding obligations are satisfied, subject to Applicable Law.* In addition, the Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of the sale of shares of Common Stock acquired pursuant to an offering under the Plan through a sale arranged by the Company and I hereby authorize the Company and/or the Employer to withhold any Tax-Related Items legally payable by me from proceeds of the sale of shares of Common Stock on my behalf pursuant to this authorization without further consent. In addition, the Company has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of shares of Common Stock otherwise deliverable to me. If I do not arrange for the payment of any Tax-Related Items the Company may refuse to deliver the shares to me. If I am subject to taxation in more than one jurisdiction during an Offering Period, the Company and/or the Employer or former Employer may withhold or account for tax in greater

than one jurisdiction. Regardless of any action of the Company or the Employer, I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Company or the Employer. I further acknowledge that the Company and the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of my participation in the Plan; and (2) do not commit to and are under no obligation to structure the terms of the Plan to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result.

6. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

7. The Subscription Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without regard to its conflicts of law provisions) as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties, I hereby submit and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted only in the courts of San Mateo County, California, or the federal courts for the U.S. for the Northern District of California, and no other courts.

8. Notwithstanding any provision of this Subscription Agreement, I understand that if I am working or resident in a country other than the United States, my participation in the Plan shall also be subject to the Additional Terms and Conditions for Non-U.S. Employees set forth in **Appendix A** attached hereto and any special terms and conditions for my country set forth in **Appendix B** attached hereto. Further, I understand that if I relocate to one of the countries included in Appendix B, the special terms and conditions for such country will apply to me to the extent the Company determines in its sole discretion that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A and Appendix B constitute part of this Subscription Agreement.

9. I hereby agree to be bound by the terms of the Plan and this Subscription. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

Employee's Tax ID Number: \_\_\_\_\_

Employee's Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I ACKNOWLEDGE AND UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT INCLUDING ITS APPENDICES AND MY PARTICIPATION IN THE PLAN WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS AFFIRMATIVELY TERMINATED BY ME.

Dated: \_\_\_\_\_

Signature of Employee

## APPENDIX A

### GODADDY INC. 2015 EMPLOYEE STOCK PURCHASE PLAN ADDITIONAL TERMS AND CONDITIONS FOR NON U.S. EMPLOYEES

*Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Go Daddy Inc. 2015 Employee Stock Purchase Plan*

1. **Terms of Plan Participation for Non-U.S. Employees** . I understand and agree that this Appendix A contains additional terms and conditions that, together with the Plan and the Subscription Agreement, govern my participation in the Plan if I am working or resident in a country other than the United States. I further understand and agree that my participation in the Plan will also be subject to any terms and conditions for my country set forth in Appendix B attached hereto.

2. **Conversion of Payroll Deductions** . I understand that, if my payroll deductions or Contributions under the Plan are made in any currency other than U.S. dollars, such payroll deductions or Contributions will be converted to U.S. dollars on or prior to the Exercise Date using a prevailing exchange rate in effect at the time such conversion is performed, as determined by the Administrator. I understand and agree that neither the Company, the Employer nor any Parent, Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between my local currency and the U.S. Dollar that may affect the number of shares of Common Stock purchasable with my payroll deductions or Contributions, the value of the options granted to me under the Plan, or of any amounts due to me under the Plan or as a result of the subsequent sale of any shares of Common Stock acquired under the Plan.

3. **Tax Obligations** . I acknowledge and agree that, regardless of any action taken by the Company or the Employer with respect to any or all income tax, social security, social insurances, National Insurance Contributions, payroll tax, fringe benefit, or other tax-related items related to my participation in the Plan and legally applicable to me including, without limitation, in connection with the grant of such options, the purchase or sale of shares of Common Stock acquired under the Plan and/or the receipt of any dividends on such shares ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Company or the Employer. Furthermore, I acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the options under the Plan and (2) do not commit to and are under no obligation to structure the terms of the grant of options or any aspect of my participation in the Plan to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I have become subject to tax in more than one jurisdiction between the Enrollment Date and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the purchase of shares of Common Stock under the Plan or any other relevant taxable or tax withholding event, as applicable, I agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (1) withholding from my wages or Compensation paid to me by the Company and/or the Employer; or (2) withholding from proceeds of the sale of the shares of Common Stock purchased under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization). Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable maximum applicable withholding rates, in which case I will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent.

Finally, I agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase shares of Common Stock under the Plan on my behalf and/or refuse to issue or deliver the shares or the proceeds of the sale of shares if I fail to comply with my obligations

in connection with the Tax-Related Items.

4. **Service Acknowledgments** . By electing to participate in the Plan, I acknowledge, understand and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent provided for in the Plan;
- (b) all decisions with respect to future grants of options under the Plan, if applicable, will be at the sole discretion of the Company;
- (c) the grant of options under the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer, or any Parent, Subsidiary or Affiliate of the Company, and shall not interfere with the ability of the Company or the Employer, as applicable, to terminate my employment (if any);
- (d) I am voluntarily participating in the Plan;
- (e) the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not intended to replace any pension rights or compensation;
- (f) the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not part of my normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;
- (g) the future value of the shares of Common Stock underlying the options granted under the Plan is unknown, indeterminable and cannot be predicted with certainty;
- (h) the shares of Common Stock that I acquire under the Plan may increase or decrease in value, even below the Purchase Price;
- (i) no claim or entitlement to compensation or damages shall arise from the forfeiture options granted to me under the Plan as a result of the termination of my status as an Eligible Employee (for any reason whatsoever, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and, in consideration of the grant of options under the Plan to which I am otherwise not entitled, I irrevocably agree never to institute a claim against the Company, the Employer, or any Parent, Subsidiary or Affiliate, waive my ability, if any, to bring such claim, and release the Company, the Employer, and any Parent, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, I shall be deemed irrevocably to have agreed to not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (j) in the event of the termination of my status as an Eligible Employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the Plan and any options granted to me under the Plan, if any, will terminate effective as of the date that I am no longer actively employed by the Company or one of its Designated Companies and, in any event, will not be extended by any notice period mandated under the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any ( *e.g.* , active employment would not include a period of “garden leave” or similar period pursuant to the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any); the Company shall have the exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the Plan (including whether I may still be considered to be actively employed while on a leave of absence); and

(k) the grant of the option to purchase shares of Common Stock under the Plan and the benefits evidenced by the Subscription Agreement do not create any entitlement not otherwise specifically provided for in the Plan, or provided by the Company in its discretion, to have such rights or benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with a sale of substantially all of the Company's assets or a merger of the Company in which the Company is not the surviving corporation.

5. **Data Privacy Consent** . *I understand that the Company and the Employer may collect, where permissible under applicable law certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options granted under the Plan or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. I understand that Company may transfer my Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in my country.*

*I understand that the Company will transfer my Data to its designated broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different data privacy laws that the European Commission or my jurisdiction does not consider to be equivalent to the protections in my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or career with the Company or the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me options under the Plan or other equity awards, or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.*

*I understand that I have the right to access, and to request a copy of, the Data held about me. I also understand that I have the right to discontinue the collection, processing, or use of my Data, or supplement, correct, or request deletion of my Data. To exercise my rights, I may contact my local human resources representative.*

*I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in the Subscription Agreement and any other Plan materials by and among, as applicable, the Employer, the Company and its Parents, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan. I understand that my consent will be sought and obtained for any processing or transfer of my data for any purpose other than as described in the Subscription Agreement and any other plan materials.*

6. **No Advice Regarding Grant** . The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations or assessments regarding my participation in the Plan, or my acquisition or sale of the underlying shares of Common Stock. I am hereby advised to consult with my own personal tax, legal and financial advisors regarding my participation in the Plan before taking any action related to the Plan.

7. **Language** . If I have received the Subscription Agreement or any other document related to the Plan

translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.

8. **Severability** . The provisions of the Subscription Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

9. **Waiver** . I acknowledge that a waiver by the Company of breach of any provision of the Subscription Agreement shall not operate or be construed as a waiver of any other provision of the Subscription Agreement, or of any subsequent breach by me or any other participant.

10. **Electronic Delivery and Acceptance** . The Company may, in its sole discretion, decide to deliver any documents related to options awarded under the Plan or options that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company. You consent to the electronic delivery of the Plan documents and this Subscription Agreement. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing. You further acknowledge that you will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, you understand that you must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. You may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if you have provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, you understand that you are not required to consent to electronic delivery of documents.

## APPENDIX B

### GO DADDY INC. 2015 EMPLOYEE STOCK PURCHASE PLAN COUNTRY-SPECIFIC PROVISIONS FOR NON-U.S. EMPLOYEES

#### *Terms and Conditions*

I understand that this Appendix B includes additional terms and conditions that govern the options to purchase shares of Common Stock granted to me under the Plan if I work in one of the countries listed below. If I am a citizen or resident of a country other than the one in which I am currently working (or if I am considered as such for local law purposes) or if I transfer employment to another country after enrolling in the Plan, I acknowledge and agree that the Company will, in its discretion, determine the extent to which the terms and conditions herein will be applicable to me.

Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Go Daddy Inc. 2015 Employee Stock Purchase Plan, the Subscription Agreement or Appendix A to the Subscription Agreement.

#### *Notifications*

This Appendix B also includes notifications that contain information regarding securities laws, exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of the effective date of this Plan. Such laws are often complex and change frequently. As a result, the Company recommends that you not rely on the information in this Appendix B as the only source of information relating to the consequences of your participation in the Plan because the information included herein may be out of date at the time that you exercise your option and purchase shares of Common Stock under the Plan or subsequently sell such shares.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in my country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working (or if you are considered as such for local law purposes) or if you move to another country after options have been granted to you under the Plan, the information contained herein may not be applicable to you.

#### **BRAZIL**

#### *Terms and Conditions*

**Authorization for Plan Participation** . I hereby authorize the Employer to make payroll deductions from each of my paychecks in that percentage of my Compensation specified in my election and I authorize the Employer, the Company or any Parent, Subsidiary or Affiliate of the Company to remit such accumulated payroll deductions, on my behalf, to the United States of America, to purchase shares of Common Stock, as provided by Circular No. 3,280/05 of the Central Bank, under the terms of the Plan.

Upon request of the Company or the Employer, I agree to execute a letter of authorization and any other agreements or consents that may be required to enable the Employer, the Company or any Parent, Subsidiary or Affiliate of the Company (or any of their designated third parties) to remit my accumulated payroll deductions from Brazil for the purchase of shares. I understand that I will not be able to participate in the Plan if I fail to execute a letter of authorization or any other form of agreement or consent that is required for the remittance of my payroll deductions.

**Compliance with Law** . By enrolling in the Plan and accepting the terms of the Subscription Agreement, I acknowledge and agree to comply

with all applicable Brazilian laws and pay any and all applicable taxes associated

with the purchase and the sale of shares acquired under the Plan.

### *Notifications*

**Report of Overseas Assets.** If you are resident or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include, but are not limited to, the shares of Common Stock acquired under the Plan.

### CANADA

#### *Terms and Conditions*

**Labor Law Acknowledgement.** This provision replaces the acknowledgement contained in Section 4(j) of Appendix A to the Subscription Agreement:

In the event of the termination of my status as an Eligible Employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the Plan and any options granted to me under the Plan, if any, will terminate effective as of the date that is the earlier of: (i) the date that my employment with the Company or the Employer is terminated; (ii) the date that I receive written notice of termination of my employment from the Company or the Employer (regardless of any notice period or period of pay in lieu of such notice mandated under the employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); or (iii) the date that I am no longer actively employed by the Company or any of its Designated Companies, with such date being determined by the Company in its sole discretion.

The following provisions will apply if you are a resident of Quebec:

**Authorization to Release Necessary Personal Information** . I hereby authorize the Company (including any Parent, Subsidiary or Affiliate) and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. I further authorize the Company and any Parent, Subsidiary or Affiliate and the Company's designated Plan broker(s) to disclose and discuss the Plan with their advisors. I further authorize the Employer to record such information and to keep such information in my employee file.

**English Language Provision** . I hereby provide my consent to receive Plan information in English through my enrollment in the Plan. Specifically, I acknowledge as follows:

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

*Disposition relative à l'utilisation de la langue anglaise. Par la présente, je consens à recevoir les informations relatives au Plan d'Achat d'Actions en anglais par le biais de mon inscription au Plan d'Achat d'Actions. Particulièrement, je reconnais comme suit :*

*Les parties reconnaissent avoir exigé la rédaction en anglais du Contrat de Souscription, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.*

### CZECH REPUBLIC

#### *Notifications*

**Securities Disclaimer.** The participation in the Plan is exempt or excluded from the requirement to publish a

prospectus under the EU Prospectus Directive as implemented in the Czech Republic.

## **INDIA**

### *Notifications*

**Exchange Control Information** . Indian residents are required to repatriate any cash dividends paid on shares of Common Stock acquired under the Plan and any proceeds from the sale of such shares of Common Stock to India within 90 days of receipt. Upon repatriation, the individual will receive a foreign inward remittance certificate (“FIRC”) from the bank where he or she deposits the foreign currency and he or she should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation. It is your responsibility to comply with applicable exchange control laws in India.

**Tax Reporting Obligation** . Indian residents are required to declare the following items in their annual tax return: (i) any foreign assets held by them (including shares of Common Stock acquired under the Plan), and (ii) any foreign bank accounts for which they have signing authority. It is your responsibility to comply with applicable foreign asset tax laws in India and you should consult with your personal tax advisor to ensure that you are properly reporting your foreign assets and bank accounts.

## **ISRAEL**

### *Notifications*

**Securities Notification.** The grant of the options under the Plan is exempt from securities reporting and disclosure requirements with the Israel Securities Authority.

**Tax Notification.** The option is not intended to qualify for tax qualified treatment in Israel, including without limitation, under Section 102 of the Israeli Ordinance and Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003.

## **MEXICO**

### *Notifications*

**Further Employment and Labor Law Acknowledgments.** Through the Subscription Agreement the Participant acknowledges that as an employee of a Mexican company he/she is entitled to participate in the Plan, therefore the Participant has the entire right to participate or not.

The Participant accepts and acknowledges that his/her sole and exclusive employer is the Company’s Mexican Affiliate, therefore, any and all provisions in the Subscription Agreement establishing or making reference to the employer, employment, employment agreement or employment relationship, means and refers exclusively to the Company’s Mexican Affiliate, as his/her employer.

The Participant acknowledges that in no case should the Company be considered his/her employer and that no employment relationship exist between the Participant and the Company, therefore Participant declares that he/she has never been controlled by the Company, received any salary or benefit from the Company, nor performed any activity or service to the Company or under its instructions.

**Compliance with Mexican Securities Laws.** The Plan, the options and the shares of Common Stock are exempt from affirmative registration requirements in Mexico since the rights to acquire Shares under the option and the Plan are limited to specified qualified employees in Mexico and communicated in a private and confidential manner.

## **NETHERLANDS**



You should be aware of the Dutch insider trading rules, which may affect the sale of shares of Common Stock acquired under the Plan. In particular, you may be prohibited from effecting certain share transactions if you have insider information regarding the Company. Below is a discussion of the applicable restrictions. you are advised to read the discussion carefully to determine whether the insider rules could apply to you. If it is uncertain whether the insider rules apply, the Company recommends that you consult with a legal advisor. The Company cannot be held liable if you violate the Dutch insider trading rules. You are responsible for ensuring your compliance with these rules.

### Prohibition Against Insider Trading

**Dutch securities laws prohibit insider trading** . The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act ( *Wet op het financieel toezicht or Wft* ) and in section 2 of the Market Abuse Decree ( *Besluit marktmisbruik Wft* ). For further information you are referred to the website of the Authority for the Financial Markets ( *AFM* ); <http://www.afm.nl/~media/Files/brochures/2012/insider-dealing.ashx> .

Given the broad scope of the definition of inside information, certain employees of the Company working at its Dutch Affiliate may have inside information and thus are prohibited from making a transaction in securities in the Netherlands at a time when they have such inside information. By entering into the Subscription Agreement and participating in the Plan, you acknowledge having read and understood the notification above and acknowledge that it is your responsibility to comply with the Dutch insider trading rules, as discussed herein.

**Securities Disclaimer.** The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Netherlands.

## SINGAPORE

### *Terms and Conditions*

**Form of Contributions** . Notwithstanding Sections 2 and 3 of the Subscription Agreement, due to restrictions on payroll deductions under Singapore law, I acknowledge and agree that I may be required to participate in the Plan by means other than payroll deductions ( *e.g.* , bank wire or check) if the Company, in its discretion, determines that collection of payroll deductions is not permissible or administratively feasible under Singapore law.

In this regard and upon notice by the Company or the Employer, I understand and agree that no payroll deductions will be made from my paychecks and that I will be required to make Contributions for the purchase of shares of Common Stock under the Plan by the means set forth in such notice. I further understand and agree that no shares of Common Stock will be purchased on my behalf under the Plan if I fail to submit my Contributions in the manner required by such notice.

### *Notifications*

**Securities Law Information** . The grant of options under the Plan is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Further, the options granted under the Plan are subject to section 257 of the SFA and you are not permitted to sell, or offer to sell, any shares of Common Stock in Singapore unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

**Director Notification Obligation** . Directors, associate directors or shadow directors of a Singapore Parent, Subsidiary or Affiliate are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify such entity in writing within two business days of any of the following events: (i) the acquisition or disposal of an interest ( *e.g.* , options granted under the Plan or shares of Common Stock) in the Company or any Parent, Subsidiary or Affiliate, (ii) any change in previously-disclosed interests ( *e.g.* , upon exercise of options granted under the Plan), or (iii) becoming a director, associate director or shadow director of a



Parent, Subsidiary or Affiliate in Singapore, if the individual holds such an interest at that time.

**Insider Trading Notification.** You should be aware of the Singapore insider-trading rules as these rules may impact your ability to acquire or dispose of shares of Common Stock or rights to acquire shares ( e.g. , options granted under the Plan). Under the Singapore insider-trading rules, you are prohibited from selling shares of Common Stock when you are in possession of information concerning the Company which is not generally available and which you know or should know will have a material effect on the price of such shares once such information is generally available.

## **UNITED KINGDOM**

### ***Terms and Conditions***

**Tax Obligations .** The following provision supplements Section 3 of Appendix A to the Subscription Agreement:

Tax-Related Items shall include Primary and to the extent legally possible Secondary Class 1 National Insurance Contributions.

I agree that the Company or the Employer may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right I may have to recover any overpayment from relevant U.K. tax authorities. If payment or withholding of any income tax liability arising in connection with my participation in the Plan is not made by me to the Employer within ninety (90) days of the event giving rise to such income tax liability or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), I understand and agree that the amount of any uncollected income tax will constitute a loan owed by me to the Employer, effective on the Due Date. I understand and agree that the loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs, it will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in the Plan and/or this Subscription Agreement. Notwithstanding the foregoing, I understand and agree that if I am a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the Exchange Act), I will not be eligible for such a loan to cover the income tax liability. In the event that I am a director or executive officer and the income tax is not collected from or paid by me by the Due Date, I understand that the amount of any uncollected income tax will constitute an additional benefit to me on which additional income tax and National Insurance Contributions will be payable. I understand and agree that I be responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty’s Revenue and Customs under the self- assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any primary and (to the extent legally possible) secondary class 1 national insurance contributions due on this additional benefit which the Company or the Employer may recover from you by any of the means referred to in the Plan and/or this Subscription Agreement.

Notwithstanding the foregoing, if I am an executive officer or director (as within the meaning of Section 13(k) of the

U.S. Securities and Exchange Act of 1934, as amended), the terms of the provision above will not apply. In the event that I am an executive office or director and income tax is not collected from or paid by me by the Due Date, the amount of any uncollected income tax will constitute a benefit to me on which additional income tax and National Insurance Contributions (“NICs”) (including Employer's NICs, as defined below) may be payable. I understand that I will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self- assessment regime and for reimbursing the Company and/or the Employer (as appropriate) for the value of any NICs due on this additional benefit.

### ***Notification***

**Securities Disclaimer.** Neither this Subscription Agreement nor Appendix is an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 (“FSMA”) and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan is

exclusively available in the UK to bona fide employees and former employees and any other UK Subsidiary.

**EXHIBIT B**

**GO DADDY INC.  
2015 EMPLOYEE STOCK PURCHASE PLAN  
NOTICE OF WITHDRAWAL**

The undersigned participant in the Offering Period of the Go Daddy Inc. 2015 Employee Stock Purchase Plan that began on \_\_\_\_\_, \_\_\_\_\_ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be automatically terminated. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

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Signature:

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Date:

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This Employment Agreement (the “ **Agreement** ”) is entered into for employment beginning on **August 1, 2016** ( “ **Effective Date** ”) by and among GoDaddy.com, LLC (the “ **Company** ” or “ **GoDaddy** ”), Desert Newco, LLC ( “ **Parent** ”) and **Ray E. Winborne** ( “ **Executive** ”)(hereinafter collectively referred to as the “Parties”).

**Summary of Material Terms**

<b>Term</b>	<b>Summary</b>	<b>Cross-Reference</b>
Position:	Chief Financial Officer (effective after the filing of the Company’s Form 10-Q for the Quarterly Period ending June 30, 2016.)	Section 1
Reports to:	Blake Irving	Section 1
Employment Term	Through December 31, 2020 unless extended	Section 2
Annual Salary:	\$500,000	Section 3(a)
Annual Target Bonus:	60% of annual salary	Section 3(b)
Non-Change in Control Severance:	<ul style="list-style-type: none"> <li>• Any earned but unpaid salary or bonus</li> <li>• 100% of annual salary</li> <li>• Prorated Annual Bonus at target for year of termination</li> <li>• Payment equal to the cost of health insurance coverage for 12 months</li> </ul>	Section 5(b)(iii)
Change in Control Severance:	<ul style="list-style-type: none"> <li>• Any earned but unpaid salary or bonus</li> <li>• 150% of annual salary</li> <li>• 150% of target Annual Bonus for the year of termination</li> <li>• Payment equal to the cost of health insurance coverage for 12 months</li> </ul>	Section 5(b)(iv)

**1. Duties and Scope of Employment.** Executive’s first day of employment shall be August 1, 2016, and through and including August 3, 2016, Executive shall be engaged in the Company’s onboarding process. Effective after the filing of the Company’s Form 10-Q for the Quarterly Period ending June 30, 2016, Executive will serve as the Company’s Chief Financial Officer reporting to the Company’s Chief Executive Officer, and will perform the duties, consistent with this position, as assigned by Executive’s supervisor or the Company’s Board of Directors (the “ **Board** ”).

**2. Employment Term .** Subject to the provisions of Section 5, beginning on the Effective Date and, continuing until **December 31, 2020** , Executive will be employed with the Company on the terms and subject to the conditions set forth in this Agreement; provided, however, that beginning on **December 31, 2019** and on each one year anniversary thereafter (each an “ **Extension Date** ”), the Employment Term will be automatically extended for an additional one-year period, unless the Company or Executive provides the other party written notice at least 30 calendar days before the Extension Date that the Employment Term will not be extended.

**3. Compensation.**

(a) Signing bonus . Company will pay Executive a signing bonus of **\$45,000** , subject to the usual and required withholdings. The signing bonus will be paid within fifteen (15) calendar days from when this Agreement is fully executed by both Parties.

(b) Temporary housing . Company will provide Executive with six (6) months of temporary housing accommodations. Company will directly pay for all costs and expenses associated with the temporary housing, including but not limited to, rent, utilities, landscaping and swimming pool services, and homeowners’ association fees. Executive and Company must mutually agree upon the specific temporary housing accommodations. In the event the costs and expenses associated with the temporary

housing are determined to be taxable compensation to Executive, then Company shall 'gross-up' the costs and expenses so as to fully compensate Executive for the applicable taxes.

(c) Relocation assistance. To support Executive's transition and move from Atlanta to the Scottsdale metro area, Executive will receive (i) an initial relocation allowance of **\$50,000** payable within thirty (30) days of the date both Parties fully execute this Agreement; and (ii) a second and final relocation allowance of **\$175,000** payable in January 2017. It is the responsibility of Executive to secure income tax advice from his tax consultant or attorney regarding the tax implications of this benefit. Executive assumes all responsibility for coordination and related costs associated with the relocation. If Executive's employment with Company ends for any reason whatsoever, either voluntarily or involuntarily, within a year of the date this Agreement is fully executed by both Parties, then Executive will be required to return a prorated portion of the relocation allowance relative to the portion of the year worked, and Executive agrees that any such repayment amount owed by Executive may be deducted from Executive's final paycheck. In addition, the Company will directly pay for Executive's household goods and automobiles/watercraft to be moved (including up to ninety (90) days of storage) from Atlanta to the Scottsdale metro area.

(d) Base Salary. Company will pay Executive an annual salary of **\$500,000**, as compensation for services (the "**Base Salary**"). The Base Salary will be paid according to the Company's normal payroll practices and subject to the usual and required withholdings. Executive's salary may be reviewed and adjusted annually by Executive's Supervisor or the Board.

(e) Annual Bonus.

(i) Commencing with the 2016 fiscal year, Executive is eligible to earn a target annual bonus of **60%** of Executive's Base Salary based upon achievement of performance objectives established under the Company's executive bonus plan by the Board or Compensation Committee of the Board in its sole discretion and payable upon achievement of those applicable objectives, subject to minimum and maximum limits as established by the Company (the "**Annual Bonus**"). (With respect to Executive's 2016 Annual Bonus, Executive's payout shall not be prorated based on the Effective Date, but instead, shall be paid as if Executive were employed for the entire calendar year. For example, if Executive achieves 100% of his individual performance objectives (which represent 20% of the total Annual Bonus payout) and the Company achieves 100% of its performance objectives (which represent 80% of the total Annual Bonus payout) then Executive's 2016 Annual Bonus payout will be \$300,000.)

(ii) Commencing with the 2018 fiscal year, Executive is eligible to earn a target annual bonus of 100% of Executive's Base Salary based upon achievement of performance objectives established under the Company's executive bonus plan by the Board or Compensation Committee of the Board in its sole discretion and payable upon achievement of those applicable objectives, subject to minimum and maximum limits as established by the Company (the "**Annual Bonus**").

(iii) For all fiscal years, if a non-individual performance target is lowered for other senior executives, then it will be lowered for Executive as well. If any Annual Bonus is earned, it will be paid when practicable after the Board determines it has been earned, subject to Executive being employed on the date of payment. For future years, the Board may modify the structure and performance objectives used for Annual Bonus determinations.

(f) Equity Plan. After the Effective Date, Executive will be granted the following equity awards, which will be governed by the terms and conditions of the GoDaddy Inc. 2015 Equity Incentive Plan (the "**2015 Incentive Plan**") and the forms of award thereunder (collectively, including the Incentive Plan, the "**Equity Documents**"):

(i) \$4.250 million in time-based options, with a per share exercise price equal to the closing price of a share of the Company's Class A common stock on the grant date. To determine the number of shares subject to an equity award, the specified value will be divided by the per share grant date fair value of that type of award based on the assumptions the Company uses for financial reporting, with the result rounded down to the nearest whole Share. The vesting for time-based options shall commence on the Effective Date and vest as follows, provided Executive continues to be a Service Provider under the 2015 Incentive Plan through each such date: 25% of the options shall vest on the first anniversary of the Effective Date and 1/16<sup>th</sup> of the shares subject to the Option shall vest on each quarterly anniversary date thereafter;

(ii) \$4.250 million in performance-based RSUs. The number of shares subject to such RSUs will be determined by dividing \$4.25 million by the closing price of the Company's Class A common stock on the grant date and rounding down to the nearest whole number. The vesting of performance-based RSUs shall be based on the Company's achievement of its performance goals for fiscal years 2016, 2017, 2018 and 2019, achievement of which shall be determined solely by the Compensation Committee of the Board of Directors and vest as follows, provided Executive continues to be a Service Provider

under the 2015 Incentive Plan through each such date: 25% of the performance-based RSUs shall vest annually on the date the Board determines whether and to what extent performance targets have been met.

(iii) Executive shall be eligible to participate in the 2018 annual equity grant cycle.

#### 4. Employee Benefits.

(a) Executive will be entitled to participate in the employee benefit plans, including invention incentive programs, maintained by the Company and generally applicable to senior executives of the Company. The Company may cancel or change the benefit plans and programs it offers and those changes will not breach this Agreement.

(b) During Executive's employment by the Company, Executive will be provided coverage under the Company's directors' and officers' liability insurance policy and form of indemnification agreement as in effect for other senior executives of the Company.

#### 5. Termination of Employment; Severance.

(a) At-Will Employment. Executive and the Company agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice. Executive understands and agrees this at-will employment relationship will not be modified or amended unless it is done in a writing that complies with Section 10(f) and Section 10(i) and explicitly references this Section 5(a). Executive's employment will terminate upon the earlier to occur of (i) a termination by the Company with or without Cause, (ii) Executive's Disability or death, or (iii) a resignation by Executive with or without Good Reason.

(b) Terminations of Employment. Executive's employment may be terminated under various scenarios addressed in this Section 5(b). Upon any termination of employment, Executive will receive benefits described in Section 5(b)(i). Depending on the circumstances of the termination of employment, subject to the conditions in Section 6, Executive may be entitled to a lump sum payment of the amounts listed under one of Section 5(b)(ii), Section 5(b)(iii), or Section 5(b)(iv). Executive agrees that upon termination of Executive's employment for any reason, Executive will resign as of the date of such termination and to the extent applicable, from the Board (and any committees thereof), the board of directors (and any committees thereof) of any of the Company's affiliates and from any other positions Executive holds with the Company or any of its affiliates.

(i) Termination for Cause or Resignation Other Than for Good Reason. Executive's employment may be terminated for Cause, effective upon the Company's delivery to Executive of a Notice of Termination or Executive may resign. If Executive's employment is terminated for Cause or Executive resigns other than for Good Reason, Executive will receive:

(1) the Base Salary accrued through the termination date, payable under the Company's usual payment practices;

(2) reimbursement within 60 days following submission by Executive to the Company of appropriate supporting documentation for any unreimbursed business expenses properly incurred by Executive prior to the termination date; provided that claims for reimbursement are submitted, under Company policy, to the Company within 90 days following the termination date; and

(3) any fully vested and non-forfeitable employee benefits to which Executive may be entitled under the Company's employee benefit plans (other than benefits in the nature of severance pay) (the amounts described in clauses (1) through (3) above are referred to later as the "**Accrued Obligations**").

(ii) Termination by Reason of Disability or Death. Executive's employment may be terminated effective upon the Company's delivery to Executive of a Notice of Termination if Executive becomes Disabled and will automatically terminate upon Executive's death. Upon termination of Executive's employment for either Disability or death, Executive or Executive's estate (as the case may be) will receive:

(1) the Accrued Obligations;

(2) any earned but unpaid Annual Bonus for a prior year. For the avoidance of doubt, if Executive is terminated after the end of a fiscal year but before annual bonuses are approved and paid to other senior executives in the normal course of business, then Executive will receive an Annual Bonus for the prior fiscal year, the actual amount of which will still be subject to the achievement of any performance targets as established by the Company the achievement of which will be determined by

the Company. Any payment under this Section 5(b)(iii)(2) will be paid no later than one day prior to the date that is 2½ months following the last day of the fiscal year in which such termination occurred; and

(3) a prorated Annual Bonus amount for the year of termination, if any would have been payable to Executive based on achievement of performance criteria if Executive had remained employed through the full fiscal year in which the termination of employment occurred. The prorated amount will be calculated based on the number of calendar days employed and any such prorated amount will be paid no later than one day prior to the date that is 2½ months following the last day of the fiscal year in which such termination occurred.

(iii) Termination Without Cause, Resignation for Good Reason. Executive's employment may be terminated without Cause effective upon the Company's delivery to Executive of a Notice of Termination, or by Executive's resignation for Good Reason effective 30 days following delivery to the Company of Notice of Termination provided such delivery is within 90 days following the occurrence of events that result in Good Reason. No resignation for Good Reason will be effective unless during the 30-day period following the delivery of the Notice of Termination, the Company has not cured the events that result in Good Reason. If Executive's employment is terminated without Cause (other than by reason of death or Disability), or if Executive resigns for Good Reason, Executive will receive:

- (1) the Accrued Obligations;
- (2) any earned but unpaid Annual Bonus for a prior year;
- (3) an amount equal to a prorated amount of the target Annual Bonus for the year of termination;
- (4) a payment equal to 50% of the annual Base Salary in effect on the termination date; and
- (5) a payment equal to the cost of health insurance coverage under COBRA for 6 months.

(iv) Termination of Employment During a Change in Control Period. If Executive's employment is terminated under circumstances that would entitle Executive to payment of benefits under Section 5(b)(iii) and such termination of employment occurs during the period that begins three months prior to a Change in Control and ends on the date that is 18 months after a Change in Control, then Executive will receive the benefits described in Section 5(b)(iii), but the payment in Section 5(b)(iii)(3) will be equal to 150% of target Annual Bonus, the payment in Section 5(b)(iii)(4) will be equal to 150% of annual Base Salary in effect on the termination date (or the date immediately prior to the Change in Control if higher), and the health insurance coverage payment in Section 5(b)(iii)(5) will be for 12 months.

(c) Exclusive Remedy. If a termination of Executive's employment with the Company occurs, the provisions of this Section 5 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no severance or other benefits upon termination of employment other than those benefits expressly set forth in this Section 5.

## **6. Conditions to Receipt of Severance; No Duty to Mitigate.**

(a) Separation Agreement and Release of Claims. Executive will not receive severance pay or benefits other than the Accrued Obligations unless (x) Executive signs and does not revoke a separation agreement and release of claims in the form attached as Exhibit A, but with any appropriate reasonable modifications, reflecting changes in applicable law, as is necessary to provide the Company with the protection it would have if the Release was executed as of the date of this Agreement (the "**Release**") and (y) such Release becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. All payments will be made upon the effectiveness of the Release but will be delayed until a subsequent calendar year if necessary so their timing does not result in penalty taxation under Section 409A. Severance payments or benefits will not be paid or provided until the Release becomes effective and irrevocable. For avoidance of doubt, although Executive's severance payments and benefits are contractual rights, not "damages," Executive is not required to seek other employment or otherwise "mitigate damages" as a condition of receiving such payments and benefits.

(b) If any amount or benefit that would constitute non-exempt "deferred compensation" under Internal Revenue Code ("**Code**") Section 409A would be payable under this Agreement by reason of Executive's "separation from service" during a period in which Executive is a "specified employee" (within the meaning of Section 409A as determined by the Company), then

any payment or benefits will be delayed until the earliest date on which they could be paid or distributed without being subject to penalty taxation under Section 409A.

(c) Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Treasury Regulations Section 1.409A-2(b)(2).

(d) Covenants. Executive's receipt of any payment or benefits other than Accrued Obligations will be subject to Executive continuing to comply with her confidentiality obligations to the Company and Section 9.

## 7. Definitions .

(a) Cause means (i) willfully engaging in illegal conduct or gross misconduct that is materially injurious to the Company or any of its Subsidiaries; (ii) conviction of, or entry of a plea of nolo contendere or guilty to, a felony or a crime of moral turpitude; (iii) engaging in fraud, misappropriation, embezzlement or any other act or acts of dishonesty resulting or intended to result directly or indirectly in a gain or personal enrichment to Executive at the expense of the Company or any of its Subsidiaries; (iv) willful material breach of any written policies of the Company or any of its Subsidiaries including any agreement between Executive and the Company (which policy or policies previously was provided to Executive); or (v) willful and continual failure to substantially perform his or her or her duties with the Company or any of its Subsidiaries (other than a failure resulting from his or her or her incapacity due to physical or mental illness), which failure has continued for a period of at least 30 days after a written demand for substantial performance is delivered to Executive by the Company or one of its Subsidiaries which specifically identifies the manner in which the Company believes Executive has not substantially performed Executive's duties.

(b) Change in Control means Change in Control as defined in the 2015 Incentive Plan.

(c) Disabled means physically or mentally incapacitated and unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties (such incapacity is a "Disability"). Any question as to the existence of a Disability will be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each will appoint a physician and those two physicians will select a third physician who will make such determination in writing. The determination will be final and conclusive for this Agreement.

(d) Good Reason means (i) a significant reduction of Executive's duties, position, reporting structure, or responsibilities, relative to Executive's duties, position, reporting structure or responsibilities as of the Effective Date; (ii) a reduction in Executive's Base Salary or Annual Bonus as of the Effective Date; (iii) the relocation of Executive's place of employment to a facility or location more than thirty-five (35) miles from Executive's current place of employment.

**8. Limitation on Payments; Section 280G.** If any severance or other benefits payable to Executive (i) are "parachute payments" within the meaning of Code Section 280G and (ii) but for this Section 8, would be subject to the "golden parachute" excise tax imposed by Section 4999 of the Code, then Executive's severance benefits will be reduced to a level that will result in no tax under Code Section 4999 unless it would be better economically for Executive to receive all of the benefits and pay the excise tax. If a reduction in benefits is necessary for this purpose, then the reduction will occur in the following order (1) reduction of the cash severance payments; (2) cancellation of accelerated vesting of equity awards; and (3) reduction of continued employee benefits. If the acceleration of vesting of equity award compensation is to be reduced, that acceleration of vesting will be cancelled in the reverse order of the grant date of Executive's equity awards. Any determination required under this Section 8 will be made in writing by an independent professional services firm chosen by the Company immediately prior to a Change of Control and paid for by the Company and that determination will be conclusive and binding upon Executive and the Company for all purposes.

## 9. Covenants.

(a) Concurrently with his or her or her execution of this Agreement, Executive has entered into the Company's confidential information and restrictive covenant agreement attached as Exhibit B ("**Restrictive Covenant Agreement**").

(b) During the Employment Term and continuing for a period of 1 year after Executive's termination date, Executive agrees not to make any public statement that is intended, or may reasonably be expected to harm the reputation, business, prospects or operations of the Parent or any of its subsidiaries (including the Company), any of the investment funds invested in Parent or any affiliated funds (all of the foregoing collectively, the "Company Group"); provided, that the non-disparagement provisions of this Section 9(b) will not apply to any statements that Executive makes in addressing any disparaging statements made by the Company Group or their respective officers and/or its directors regarding Executive or Executive's performance as an employee of the Company so long as Executive's statements are truthful. Parent and its subsidiaries (including the Company) shall instruct their respective officers and directors to refrain from making any disparaging statements about Executive for the same period for which Executive is subject to the non-disparagement provisions of this Section 9(b); provided, however, that the non-disparagement provisions will not apply to any statements that Parent or any of its subsidiaries (including the

Company) or their respective officers and directors make in addressing any disparaging statements made by Executive regarding the Company Group or its officers and directors so long as such statements are truthful. Executive, Parent and the Company expressly consider the restrictions contained in this Section 9(b) to be reasonable.

#### 10. Miscellaneous.

(a) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, without regard to conflicts of laws principles thereof.

(b) Entire Agreement. This Agreement along with the Offer Letter, Restrictive Covenant Agreement, and the Equity Documents, contains the entire understanding of the parties with respect to Executive's employment and supersedes any prior agreements or understandings (including verbal agreements) between the parties relating to the subject matter of this agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. Notwithstanding the foregoing, Executive shall be covered by the Company's applicable liability insurance policy and its indemnification provisions for actions taken on behalf of the Company during the course of Executive's employment. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties that references this Section 10(b).

(c) Severability. In the event that any one or more of the provisions of this Agreement will be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement will not be affected.

(d) Assignment. This Agreement, and all of Executive's rights and duties under it, are not assignable or delegable by Executive. Any purported assignment or delegation by Executive will be null and void. This Agreement may be assigned by the Company to a person or entity which is an affiliate or a successor in interest to substantially all of its business operations. Upon such assignment, the rights and obligations of the Company hereunder will become the rights and obligations of such affiliate or successor person or entity.

(e) Successors; Binding Agreement. This Agreement will inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors and heirs.

(f) Notice. The notices and all other communications provided for in this Agreement will be deemed to have been duly given when delivered by hand or overnight courier addressed to the addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt.

GoDaddy.com, LLC      To most recent address as set forth  
14455 North Hayden Road/Suite 219      in Executive's personnel records  
Scottsdale, AZ 85260  
Attention: General Counsel

(g) Executive Representations. Executive represents to the Company that the execution of this Agreement by Executive and the Company and the performance of Executive's duties hereunder will not breach, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound. Executive acknowledges that he or she has had the opportunity to discuss this matter with and obtain advice from his or her private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(h) Cooperation. Subject to the Company's compliance with Section 9(b) and this Section 10(h), Executive will provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment with the Company or its affiliates. Executive's cooperation pursuant to this Section 10(h) will be at no cost to Executive, and if such cooperation occurs after the termination of this Agreement, Company will promptly advance or reimburse all reasonable costs incurred by Executive in connection with such cooperation. This provision will survive any termination of this Agreement. The Company will provide reasonable compensation to Executive for any services rendered at the Company's request.

(i) Amendment; Waiver of Breach. No amendment of this Agreement will be effective unless it is in writing and signed by both parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will be a waiver of satisfaction of any other condition or failure to comply with any other obligation. To be valid, any document signed by the Company must be signed by the Company's Chief Executive Officer.

(j) Counterparts. This Agreement may be executed in counterparts. Each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement.

Each party is signing this Agreement on the date set out below its signature.

**GoDaddy.com, LLC**

/s/ Blake J. Irving

By: Blake J. Irving

August 1, 2016

**Ray E. Winborne**

/s/ Ray E. Winborne

August 1, 2016

**Desert Newco, LLC** (Solely for purposes of Section 9(b) hereof)

/s/ Blake J. Irving

By: Blake J. Irving

August 1, 2016

## EXHIBIT A

### Employee Non-Compete Agreement

This Agreement between GoDaddy.com, LLC, a Delaware limited liability company with its headquarters in Scottsdale, Arizona (“GoDaddy”), and the undersigned employee (“Employee”), is effective on the date that Employee's employment with GoDaddy actively begins, or the date that Employee signs this agreement, whichever is later.

1. **Purpose.** As an employee of GoDaddy, Employee will be exposed to GoDaddy's Confidential Information. Employee understands that if this information is not properly restricted, it could be used to create irreparable harm to GoDaddy, including the loss of its customers and employees. As a result, Employee agrees that the restrictions contained in this Agreement are reasonable and necessary to protect GoDaddy's legitimate business interests.
2. **Consideration.** Signing this Agreement is a requirement of Employee's employment with GoDaddy and Employee agrees that employment, if signed on initial hire, or continued employment, if signed during employment, is adequate consideration for entering this Agreement.
3. **At Will Employment.** This Agreement does not change the at-will employment relationship between Employee and GoDaddy, which means that either party may terminate the employment relationship at any time with or without cause, reason or notice.
4. **Duty of Loyalty.** While employed with GoDaddy, Employee must faithfully and loyally serve GoDaddy and will not take any actions that would interfere with the business of GoDaddy, or conduct work similar to the work Employee performs for GoDaddy for any company or person without the specific written permission of GoDaddy. These obligations are in addition to the common law and statutory duties that apply to Employee as an agent of GoDaddy, such as the general duty of loyalty owed by an agent.
5. **Non-Competition.** Employee shall not, for a period of one year (and if one year is determined by a court to be unenforceable, for a period of 6 months) following the termination of Employee's employment with GoDaddy, provide services to a competitor that are the same as or substantially similar to those Employee provided to GoDaddy while employed. A competitor is a person or business that offers products or services that are the same or similar in function or purpose to the products or services provided by GoDaddy within the last two years of Employee's employment by GoDaddy. Because of the nature of services provided on the Internet, this restriction is not geographically limited, provided, however, that if a court determines that the lack of a geographical limitation renders any part of this Agreement unenforceable, this restriction shall be limited to providing such products or services within a 50 mile radius from the location in which Employee was employed by GoDaddy at the time of the termination of Employee's employment.
6. **Non-Disclosure of Confidential Information.** Employee will maintain the confidentiality of all Confidential Information, as defined herein, and will not engage in any unauthorized use or disclosure of Confidential Information during employment at GoDaddy and for as long as the information is maintained as Confidential Information by GoDaddy. “Confidential Information” refers to information in any form related to GoDaddy's business that GoDaddy has not made public or has not authorized for public disclosure and that is not already generally known to the public or to other persons who might obtain value or competitive advantage from its disclosure or use. Confidential information includes, but is not limited to: a) information identified by GoDaddy as Confidential, Internal Use Only or Proprietary; b) GoDaddy's trade secrets, information about released or unreleased products, the marketing or promotion of any of GoDaddy's products, GoDaddy's business policies or practices, employee information, litigation strategy or contract negotiations; and c) the intellectual properties of GoDaddy. All Confidential Information is and shall remain the property of GoDaddy, even if disclosed to Employee. Notwithstanding the above, nothing in this Agreement is intended to limit Employee's rights with respect to any disclosure made in compliance with GoDaddy's Notice of Immunity under the Defend Trade Secrets Act (as set forth in the Employee Handbook).
7. **Former Employer Information.** Employee agrees that during his or her employment with GoDaddy, Employee will not (i) improperly use, disclose, or induce GoDaddy to use any proprietary information or trade secrets of any former or concurrent employer or other person or entity; and (ii) bring onto the premises of GoDaddy or transfer onto GoDaddy's technology systems any unpublished document, proprietary information, or trade secrets belonging to any such employer, person, or entity unless consented to in writing by both GoDaddy and such employer, person, or entity. Employee further agrees that if Employee has signed a confidentiality agreement or similar type of agreement with any former employer or other entity, that Employee will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law, Employee represents and warrant that after undertaking a careful search (including searches of my computers, cell phones, electronic devices, and documents), that Employee has returned all property and confidential information belonging to all prior employers.

**8. Non-Solicitation** . While employed by GoDaddy, and for a period of one year following Employee's employment with GoDaddy, Employee agrees: a) not to encourage or induce any GoDaddy employees to end their employment relationship with GoDaddy, and b) not to solicit any person or company that is a current GoDaddy customer at the time of the solicitation or contact to offer the sale of any services or products similar to those offered by GoDaddy, if Employee had actual business contact with the customer or acquired Confidential Information about the customer while employed by GoDaddy.

**9. Remedies** . A violation of this Agreement by Employee will cause irreparable harm and continuing injury to GoDaddy for which there is no adequate remedy at law. As a result, if Employee violates this Agreement, GoDaddy will be entitled to injunctive relief, specific performance and any other equitable relief without the need to prove the inadequacy of money damages in addition to all other legal remedies to which GoDaddy may be entitled, including but not limited to actual and consequential damages and attorneys' fees and costs.

**10. Controlling Law** . This Agreement shall be construed and governed by the laws of the State of Arizona and the Parties consent to the exclusive jurisdiction of the federal or state courts of Arizona.

**11. Entire Agreement** . This Agreement constitutes the entire agreement between the Employee and GoDaddy regarding the subject of the Agreement. This Agreement can only be changed by a written agreement signed by both Parties. None of the provisions of this Agreement will be considered waived by any action or inaction of the Parties, or their agents or employees, but only by an instrument in writing signed by the Parties.

**12. Successors and Assigns** . This Agreement shall automatically inure to the benefit of all successors and assigns of GoDaddy without need for any further action by GoDaddy or Employee. Employee expressly agrees that GoDaddy shall have the right to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder shall inure to the benefit of or be enforceable by said successors and assigns.

**13. Severability** . If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction and cannot be reformed to make it enforceable, then such provision shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

This Agreement shall not be interpreted to limit or reduce the common law or statutory rights or remedies of GoDaddy.

Signature:           /s/ Ray E. Winborne          

Date:           August 1, 2016

**EXHIBIT B**  
**FORM OF SEPARATION AGREEMENT AND RELEASE**  
**SEPARATION AGREEMENT AND RELEASE**

This **SEPARATION AGREEMENT AND RELEASE** (this “**Agreement**”) is made, entered into, and effective as of the date set forth below by and between **INSERT** (“**Employee**”) and **GoDaddy.com, LLC** (“**GoDaddy**” or “**Company**”), hereinafter collectively referred to as the “**Parties**”. This Agreement is presented to Employee on **TBD**, 20XX (the “**Presentment Date**”).

**RECITALS**

- A.** Employee’s final day of employment with GoDaddy will be effective **TBD**, 20XX (the “**Separation Date**”).
- B.** Employee, the Company, and Desert NewCo, LLC entered into an employment agreement dated **INSERT** (the “**Employment Agreement**”).
- C.** Pursuant to the [ Desert Newco, LLC 2011 Unit Incentive Plan ], as amended and the other Equity Documents (as defined in paragraph 12), Employee has been granted options to purchase a certain number of Class A shares of GoDaddy Inc. subject to either performance-based vesting requirements or time-based vesting requirements. As of the date this Agreement was presented to Employee, certain of the options have already vested and become exercisable pursuant to the Equity Documents, and Employee had the following equity position:

	<b>Vested Options</b>	<b>Unvested Options &amp; Performance RSUs</b>

**D.** [ This Agreement contains two separate signature pages, the first of which should be signed within 21 days of Employee’s receipt of this Agreement, and the second which should be signed on the Separation Date. The first execution of the Agreement releases any potential claims Employee may have against the Released Parties (as defined below) as of the first signature date. The second execution of the Agreement applies to all potential claims Employee may have against the Released Parties, including those occurring after the first execution of the Agreement. To be entitled to any consideration under this Agreement, both signature pages must be signed at the times described and not revoked .]

**E.** The Parties intend to fully, completely, and finally resolve and settle any and all claims, potential claims, disputes, or potential disputes that Employee may have against GoDaddy and the Released Parties (as defined below), whether presently known or unknown, according to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises, covenants, obligations, and understandings set forth below, the Parties hereby agree as follows:

**1. Wages, Benefits and Accrued Vacation Pay through the Separation Date.** In addition to the Separation Consideration described in Paragraph 2 below, but not in consideration of Employee’s promises to abide by all the terms and conditions of this Agreement, the Company will:

- a.** continue to pay Employee’s usual wages through and until the Separation Date, in biweekly installments, on regular Company payroll dates, at Employee’s base pay rate, less the required withholdings and deductions; and

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b. [ pay Employee a single lump sum equal to \$ TBD representing TBD hours of accrued vacation/paid time off, less the required withholdings and deductions; and ]

c. continue Employee's benefits coverage through the Separation Date.

2. **Separation Consideration**. In exchange for Employee's promises to abide by all the terms and conditions of this Agreement, each of which GoDaddy deems to be material to this Agreement, GoDaddy will provide Employee the severance and other benefits promised in Section 5(b)(iii) of the Employment Agreement, subject to the terms and conditions thereof. Without limiting the scope of Section 5(b)(iii) of the Employment Agreement, the Company will :

a. [ pay Employee a single lump sum equal to \$ TBD representing the equivalent of the required medical, dental and vision plan COBRA premiums for X months, which shall cover the period of INSERT ;]

b. [ pay Employee a single lump sum payment equal to \$ INSERT , representing XX % of the Employee's annual base salary in effect on the Separation Date ;]

c. [ pay employee a single lump sum payment equal to \$ TBD representing the prorated amount of the target annual unpaid Management By Objective ("MBO") for 20XX (collectively with 2(a) and (2b), the " Separation Consideration").]

3. **Timing and other related matters**. For the avoidance of doubt, Employee acknowledges and agrees that:

a. The Company's payment of wages [ and accrued vacation pay ] described in Paragraph 1(a) [ and (b)] will be made on the Separation Date.

b. The Separation Consideration is in addition to any wages earned prior to the Separation Date.

c. The Company's payment of the Separation Consideration will be made as soon as practicable after the Effective Date, as defined in Paragraph 8(e) below.

d. The payment described in Paragraph 2(c) will be calculated as follows: [(i) 80% will be determined and paid out as if the Company had achieved 100% of the previously approved 20XX MBO targets; and (ii) 20% will be determined and paid out as if the Employee had achieved 100% of his individual goals for 20XX .]

e. The Separation Consideration will be made less the required federal, state and local tax withholdings and deductions.

f. For the avoidance of doubt: (i) all other unvested option and RSU grants as of the Separation Date, including those granted on INSERT shall be forfeited in their entirety; and (ii) subject to any earlier termination of post-termination exercise period set out in the Equity Documents, Employee must exercise all INSERT vested options no later than INSERT .

4. **Payment of Salary and Receipt of All Benefits** . Employee acknowledges and represents that, other than the Separation Payments and after the payment described in Section 1(b), GoDaddy has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, leave, relocation costs, interest, severance, reimbursable expenses, commissions, stock, stock options, vesting and any and all other benefits and compensation due to Employee. For the avoidance of doubt, other than as set out in Section 1(a), Employee will not vest in any options after the Separation Date. Employee represents that Employee has not suffered any on-the-job injury for which Employee has not already filed a claim.

5. **Benefits** . Regardless of whether Employee signs this Agreement, Employee's active participation in all Company benefit plans will terminate effective 11:59 p.m. on his last day of employment and Employee shall remain entitled to any vested benefits in accordance with such plans. A letter informing Employee of Employee's rights to elect continued health coverage under COBRA will be mailed to the Employee's home, and generally arrives within 7 business days after the last day of employment.

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## 6. Release .

a. Employee, in exchange for the Separation Payment, agrees to and hereby releases, waives and forever discharges GoDaddy and its affiliates, parents, successors, subsidiaries, related companies, directors, officers, employees, attorneys and agents (the "Released Parties") from any and all claims or causes of action, whether known or unknown, that Employee may currently have or Employee's heirs, executors, administrators and assigns have, had or may have in the future against any of the Released Parties with respect to any and all matters arising from Employee's employment and separation from GoDaddy. This release does not extend to any Employee rights or benefits granted pursuant to (i) Employee's Employment Agreement that expressly survive the termination of the Employment Agreement, (ii) the Equity Documents (as defined in the Employment Agreement and in Paragraph 12 below) that remain in effect after the termination of Employee's employment.

b. *Scope of Release* . Employee's release includes, but is not limited to, all allegations, claims, and violations related to severance, elimination of position, resignation, notice of termination, the payment of wages, salary and benefits (except any valid claim to recover vested benefits to which Employee may be entitled, if applicable) and all claims arising under the following, in each case as amended: the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990 ("ADEA"); Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Equal Pay Act of 1963; the Americans with Disabilities Act of 1990, ; the Family and Medical Leave Act of 1993; the Civil Rights Act of 1866; the Worker Adjustment and Retraining Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; all state or local counterparts, including the Arizona Civil Rights Act, Ariz. Rev. Stat. § 41-1401 et seq.; Arizona Employment Protection Act, Ariz. Rev. Stat. § 23-1501 to 23-1502; Arizona Wage Payment Law, Ariz. Rev. Stat. § 23-350 et seq.; Arizona Equal Wage Law, Ariz. Rev. Stat. § 23-341, California Fair Employment and Housing Act, Cal. Gov't Code § 12900 et seq.; Unruh Civil Rights Act, Cal. Civ. Code § 51; Moore-Brown-Roberti Family Rights Act, Cal. Gov't Code § 12945.1 et seq.; California Pregnancy Disability Leave Law, Cal. Gov't Code § 12945; the California Constitution; any applicable California Industrial Welfare Commission Wage Order, the Washington State Law Against Discrimination, Wash. Rev. Code § 49.60.010 et seq.; the Washington Equal Pay Law, Wash. Rev. Code § 49.12.175; the Washington Sex Discrimination Law, Wash. Rev. Code § 49.12.200; the Washington Age Discrimination Law, Wash. Rev. Code § 49.44.090; the Washington Family Care Act, Wash. Rev. Code §§ 49.12.265 to 49.12.295; the Washington Parental Leave Discrimination Law, Wash. Rev. Code § 49.12.360; the Washington Minimum Wage Act, Wash. Rev. Code § 49.46.005 et seq.; the Washington Wage, Hour, and Working Conditions Law, Wash. Rev. Code §§ 49.12.005 to 49.12.170; the Washington Wage Payment and Collection Law, Wash. Rev. Code § 49.48.010 et seq.

c. any other federal, state or local statute, constitution or ordinance; any public policy, contract or tort, or under any common law, including wrongful discharge; any practices or procedures of the Company; any claim for breach of contract, infliction of emotional distress, defamation, discrimination;

d. any and all claims relating to, or arising from, Employee's right to purchase or actual purchase of shares or stock of GoDaddy, except pursuant to the Equity Documents if applicable, which Employee acknowledges shall govern such equity;

e. and any other federal, state or local statutes, laws, regulations or common law causes of action under which any claim may be brought, including those claims arising from Employee's employment relationship with GoDaddy or the termination of that relationship, and also including any claim for costs, fees or other expenses, including attorneys' fees and expenses, incurred in these matters (collectively, the "Released Claims").

f. *Limitations* . Employee understands that Employee is not releasing any claim that relates to: (i) the Separation Payment or the right to enforce this Agreement; (ii) Employee's right, if any, to claim government-provided unemployment benefits or worker's compensation benefits, if applicable and Employee qualifies; or (iii) any rights or claims that Employee may have which arise after the date Employee executes this Agreement. Nor does this release apply to any claims that cannot be waived by law. Employee acknowledges that except as expressly provided in this Agreement or in an applicable plan document for any applicable broad-based employee benefit plans other than plans that provide severance or termination pay, Employee will not receive any additional compensation or benefits, including salary, bonus, or separation payments after the Separation Date.

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**g.** *Release of Age Discrimination Claims* . Employee acknowledges that Employee is knowingly waiving and releasing any rights Employee may have under the ADEA, which includes age discrimination claims. Employee agrees 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 Release. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled.

**h.** *[ Unknown Claims/California Civil Code Section 1542* . Employee acknowledges that he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, 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 and the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in his/her favor at the time of executing the release, which, if known by him/her, might have materially affected his/her settlement with the releasee, and agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect. ]

**i.** *No Monetary Recovery* . Employee acknowledges and understands that this Release waives all of Employee's rights to any monetary recovery against any of the Released Parties for any potential charge, complaint, or lawsuit. Employee agrees that the Separation Payment received under this Agreement fully satisfies any potential claim for relief in connection with any charge, complaint, or lawsuit.

**j.** *Covenant Not to Sue* . Employee acknowledges and understands that this Release prohibits Employee from bringing any lawsuit or cause of action against any of the Released Parties for any claims covered by the Release.

## **7. Confidentiality** .

**a.** Employee agrees to keep the existence and terms of this Agreement strictly confidential, including the specific information regarding the Total Consideration in Paragraphs 1 and 2 above. Except as required by law, Employee agrees not to divulge any of the terms of this Agreement to anyone, or permit them to be divulged to anyone, excluding his spouse, attorney, accountant and tax and financial advisor. Employee understands that GoDaddy has relied on Employee's commitment to preserve the confidentiality of this Agreement in deciding whether to enter into this Agreement. Employee agrees at all times hereafter to hold in the strictest confidence, and not to use or disclose to any person or entity, any Confidential Information of GoDaddy.

**b.** Employee understands that "Confidential Information" means any GoDaddy proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product and/or personalization plans, products, services, customer lists and customers (including, but not limited to, customers of GoDaddy on whom Employee has called or with whom Employee became acquainted during the term of Employee's employment), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, any and all financial and accounting information, employee lists, vendor lists, recruiting information, future planned or contemplated merger and acquisition activity, or other legal or business information disclosed to Employee by GoDaddy either directly or indirectly, in writing, orally, or by drawings or observation. Employee further understands that Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of Employee's or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof. Nothing in this Agreement is intended to limit an employee's rights with respect to any disclosure made in compliance with GoDaddy's Notice of Immunity under the Defend Trade Secrets Act (as set forth in the Employee Handbook). Employee hereby grants consent to notification by GoDaddy to any new employer about Employee's obligations under this paragraph. Employee represents that Employee has not to date misused or disclosed Confidential Information to any unauthorized party.

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- 8. Acknowledgments.** On each signature date, Employee acknowledges that each of the following statements is true and accurate:
- a. Employee would not have been entitled to receive the Separation Consideration set forth in Paragraph 2 above had Employee rejected this Agreement and agrees that the Separation Payment is adequate consideration for Employee's releases and made in this Agreement .
  - b. Employee has carefully read this entire Agreement and understands all the terms of this Agreement, including the release provisions set forth in Paragraph 6 above and the Confidentiality provisions set forth in Paragraph 7 above;
  - c. Employee has been and hereby is advised to consult with an attorney before signing this Agreement; Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel.
  - d. Pursuant to the specific release contained in Paragraph 6(g) above, Employee has up to 21 days from the Presentment Date to consider whether to enter into this Agreement (the "**Consideration Period** "). If Employee signs this Agreement prior to the expiration of the Consideration Period, Employee hereby acknowledges that Employee has freely and voluntarily chosen to waive any time remaining in the Consideration Period. Employee should deliver a signed copy of this Agreement to GoDaddy, Attn: Nima Kelly, 14455 N. Hayden Rd., Suite 209, Scottsdale, AZ 85260. If Employee does not sign this Agreement by the end of the Consideration Period, Employee understands that this Agreement shall become null and void.
  - e. Employee will have 7 days to revoke this Agreement after signing it, and this Agreement shall not become effective or enforceable until this revocation period has expired for the execution of the Agreement on the Separation Date (the 8<sup>th</sup> day is the "**Effective Date** " of this Agreement). Any revocation within this 7-day period shall be submitted in writing and mailed to the attention of the Company at the address given in subparagraph (d) of this paragraph and post-marked within 7 days of the date Employee signs this Agreement. If this Agreement is revoked in this way, Employee will forfeit the Total Consideration and the Company shall not be required to provide Employee any of the Total Consideration, or any other such payments.
  - f. Employee understands that this Agreement does not waive any rights or claims that may arise after the Effective Date of this Agreement, and that nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of the waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law.
  - g. Employee has not relied on any oral or written statements that are not set forth in this Agreement in determining whether to enter into this Agreement.
  - h. Employee executed this Agreement freely, voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, and with the full intent of releasing all claims against the Company and any of the other Releasees .
- 9. Non-Liability .** This Agreement is not an admission or evidence of fault, wrongdoing or liability by GoDaddy, nor should it be construed as such, but instead reflects the desire of the Parties to resolve the Released Claims fairly and amicably.
- 10. Non-Disparagement .** Employee agrees to refrain from any disparagement, defamation, libel or slander of any of the Released Parties. GoDaddy agrees to inform relevant GoDaddy employees not to make any disparaging statements about the Employee. Employee understands that GoDaddy's obligations under this paragraph extend only to GoDaddy's current executive officers and members of its Board of Directors and only for so long as each officer or member is an employee or Director of GoDaddy. The Parties agree that it is in their best interests to maintain an amicable termination and post-termination relationship. Employee agrees to cooperate reasonably with GoDaddy and its counsel in connection with any administrative, judicial, regulatory, or other proceeding arising from any charge, complaint, or other action relating to the period Employee was employed by GoDaddy, or in connection with any transaction or other matter that requires Employee's
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personal knowledge or experience to resolve. GoDaddy will provide reasonable compensation to Employee for any services rendered at GoDaddy's request.

**11. Prior Agreements** . The Parties acknowledge that they have carefully read this Agreement, have voluntarily entered into it, and understand its contents and its binding legal effect. The Parties further acknowledge and agree that this Agreement represents the entire agreement between them with respect to Employee's separation from GoDaddy and supersedes any and all other oral or written agreements that may exist between them except:

- a. Employee's continuing obligations under the Employment Agreement shall remain in full force and effect;
- b. Employee's continuing obligations under the Employee Non-Compete dated **INSERT** , shall remain in full force and effect;
- c. Employee's continuing confidentiality obligations to the Company as outlined in the company handbook and other policies, shall remain in full force and effect; and
- d. any equity awards granted to Employee under the [ 2011 Unit Incentive Plan ] , the Management Equity and Unitholders Agreement, and any other agreements entered into in connection with any grant thereunder (collectively, the "**Equity Documents**"), shall remain in full force and effect.

If any conflict exists or arises between the terms of this Agreement and any prior agreement referenced in this Paragraph, the terms of this Agreement shall control.

**12. Severability** . If any court of competent jurisdiction declares any of this Agreement's provisions to be unenforceable, the remaining provisions shall be enforced as though this Agreement did not contain the unenforceable provision(s), and/or be reformed so as to be enforceable.

**13. Section 409A Savings Clause** . It is the intention of the Parties that all compensation or benefits payable under this Agreement be exempt from Section 409A of the Internal Revenue Code ("Section 409A") or comply with Section 409A so that no additional tax under Section 409A is imposed. To the extent such compensation or benefits could be or are found not to be exempt from Section 409A or would have additional tax under Section 409A imposed, the Parties shall cooperate to amend this Agreement to avoid such result, with the goal of giving Employee the economic benefits described herein in a manner that does not result in additional tax or interest being imposed, but without requiring the Company to pay any additional amounts.

**14. Governing Law and Forum** . This Agreement will be governed by and interpreted in accordance with the substantive law of the State of Arizona as though this was an agreement occurring wholly within Arizona between Arizona residents. Any action or dispute arising out of, or in any way related to, this Agreement, or the interpretation and/or application of this Agreement, must be brought in Maricopa County, Arizona.

**15. Jury Trial Waiver** . Employee agrees to waive Employee's right to a trial by jury in any action relating to or arising out of this Agreement, and acknowledges that Employee's waiver of such a right is knowing and voluntary.

**16. Remedies for Breach** . A breach of any provision of this Agreement may give rise to a legal action. If Employee breaches any provision of this Agreement, in addition to any other available remedies, GoDaddy may recover the entire amount of the Separation Payment that has actually been made to Employee under this Agreement. The prevailing party in any action based on a breach of this Agreement will be entitled to recover its costs and actual attorneys' fees incurred in any litigation relating to or arising out of this Agreement.

**17. Successors and Assigns** . The Parties agree that this Agreement shall inure to the benefit of, and may be enforced by, GoDaddy's successors, assigns, parents, subsidiaries, and related companies.

**18. Return of Company Property** . Employee agrees that Employee has returned, or will return within three (3) calendar days of the Separation Date, all GoDaddy property in Employee's possession, custody, or control.

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19. **Counterparts** . This Agreement may be executed by the Parties in one or more counterparts, including faxed copies. All such fully-executed counterparts shall be treated as originals of this Agreement.

**Please read this Agreement carefully, it contains a RELEASE of all known and unknown claims.**

**Agreed and accepted:**

**INSERT**

**GoDaddy.com, LLC**

\_\_\_\_\_ **By:** \_\_\_\_\_  
**Nima Jacobs Kelly**  
**General Counsel**

**Date:** \_\_\_\_\_, 20XX      **Date:** \_\_\_\_\_, 20XX

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Blake J. Irving, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoDaddy 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)) 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) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) 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 3, 2016

By: /s/ Blake J. Irving

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Blake J. Irving

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Ray E. Winborne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoDaddy 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)) 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) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) 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 3, 2016

By: /s/ Ray E. Winborne

Ray E. Winborne

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Blake J. Irving, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of GoDaddy Inc. for the fiscal quarter ended September 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of GoDaddy Inc.

Date: November 3, 2016

By: /s/ Blake J. Irving

Blake J. Irving  
Chief Executive Officer  
(Principal Executive Officer)

I, Ray E. Winborne, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of GoDaddy Inc. for the fiscal quarter ended September 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of GoDaddy Inc.

Date: November 3, 2016

By: /s/ Ray E. Winborne

Ray E. Winborne  
Chief Financial Officer  
(Principal Financial Officer)