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As filed with the Securities and Exchange Commission on September 27, 2012

Registration No. 333-181376

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4 to
FORM S-1

REGISTRATION STATEMENT
Under
The Securities Act of 1933

Shutterstock, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**7389**	**80-0812659**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

60 Broad Street, 30th Floor
New York, NY 10004
(646) 419-4452

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

Jonathan Oringer
Chief Executive Officer
Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004
(646) 419-4452
(Name, address including zip code, and telephone number including area code, of agent for service)

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $0.01 per share	5,175,000	$15.00	$77,625,000	$8,896

(1) Includes 675,000 shares which may be sold pursuant to the underwriters' over-allotment option.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) under the Securities Act.

(3) $13,179 has previously been paid.

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

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PROSPECTUS (Subject to Completion)
Issued September 27, 2012

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

4,500,000 Shares

COMMON STOCK

Shutterstock, Inc. is offering 4,500,000 shares of its common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price of our common stock will be between $13.00 and $15.00 per share.

Our common stock has been approved for listing on the New York Stock Exchange under the symbol "SSTK".

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and, as such, will be subject to reduced public company reporting requirements. Investing in our common stock involves risks. See "Risk Factors" section beginning on page 14.

PRICE $ A SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Shutterstock
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

We have granted the underwriters the right to purchase up to 675,000 additional shares of common stock to cover over-allotments.

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

The underwriters expect to deliver the shares of common stock to purchasers on , 2012.

MORGAN STANLEY *DEUTSCHE BANK SECURITIES* *JEFFERIES*

RBC CAPITAL MARKETS *STIFEL NICOLAUS WEISEL* *WILLIAM BLAIR*

, 2012

How Shutterstock Works

Shutterstock sources high-quality images from contributors, and licenses those images to customers worldwide.

Why **contributors** choose Shutterstock:

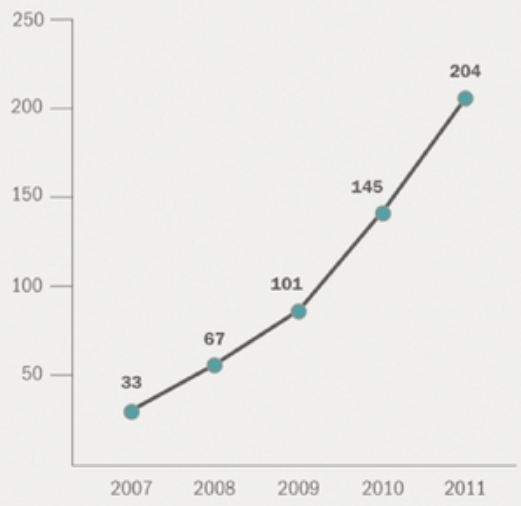
- A global audience of paying customers
- Efficient process for adding images
- Real-time feedback and community

Why **customers** choose Shutterstock:

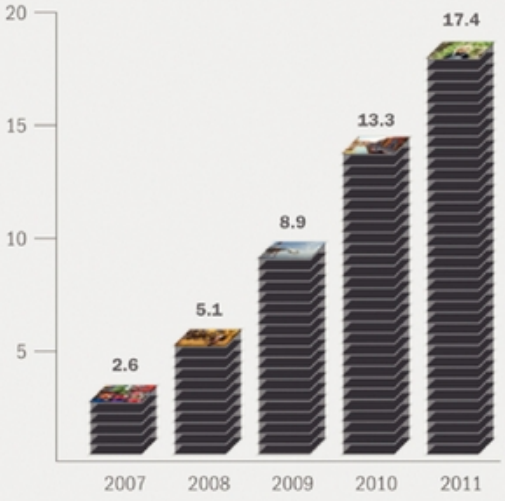
- High-quality, licensed images
- Superior search results
- Simple, affordable pricing

Facts & Figures

Cumulative paid downloads
(Millions)



Images in the Shutterstock library
(Millions)



10
Languages

150+
Countries With Active Users

10,000+
Images Added Daily

35,000+
Contributors

550,000+
Paying Customers

20 Million+
Images

250 Million+
All-Time Paid Downloads

Revenue
(Millions of dollars)

2011 Revenue by Region

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You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission. Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Until , 2012 (25 days after the commencement of this offering), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our consolidated financi statements and the related notes and the information set forth in the sections of this prospectus titled "Risk Factors" and "Management's Discussion and Analysis Financial Condition and Results of Operations." Some of the statements in this prospectus constitute forward-looking statements. See the section of this prospectu titled "Special Note Regarding Forward-Looking Statements" for more information.

SHUTTERSTOCK, INC.

Overview

Shutterstock operates an industry-leading global marketplace for commercial digital imagery. Commercial digital imagery consists of licensed photograph illustrations and videos that companies use in their visual communications, such as websites, digital and print marketing materials, corporate communications, book publications and video content. Demand for commercial digital imagery comes primarily from businesses, marketing agencies and media organizations. We estima that the market for pre-shot commercial digital imagery will grow from approximately $4 billion in 2011 to approximately $6 billion in 2016, based on a stud conducted on our behalf by L.E.K. Consulting LLC. There has been a significant increase in the demand for commercial digital imagery as rapid technologic advances have reduced the cost and effort required to create, license and use images. Our global online marketplace brings together users of commercial digit imagery with image creators from around the world. More than 550,000 active, paying users contributed to revenue in 2011, representing an increase of 71% compare to the prior year. More than 35,000 approved contributors make their images available in our library, which currently consists of more than 20 million images. Th makes our library one of the largest of its kind, and, in the twelve months ended December 31, 2011, we delivered more than 58 million paid downloads to ou customers.

Our online marketplace provides a freely searchable library of commercial digital images that our users can pay to license, download and incorporate into the work. We compensate image contributors for each of their images that is downloaded. This marketplace model allows us to offer a disruptive, low-cost and easy-to-us alternative to the time-consuming and expensive traditional methods of obtaining commercial imagery. It enables millions of small and medium-sized businesses, SMBs, to affordably access commercial digital images, and allows larger enterprises and media agencies to more easily and efficiently satisfy their increasing imag needs.

We are the beneficiaries of significant network effects. As we have grown, our broadening audience of paying users has attracted more images from contributor This increased selection of images has in turn helped to attract more paying users. The success of this network effect is facilitated by the trust that users place Shutterstock to maintain the integrity of our branded marketplace. Every contributor in our marketplace and every image we make available must pass our proprietar screening process and meet our standards of quality. In addition, and unlike the significant majority of free images available online, our rigorous vetting proces enables us to provide confidence and indemnification to our users that the images in our library have been appropriately licensed for commercial or editorial use.

We make image licensing affordable, simple and easy in order to encourage a high volume of purchases and downloads. Our customers' average cost per image approximately $2.00. We are a pioneer of the subscription-based usage model in our industry, whereby subscribers can download and use a large number of images their creative process without concern for the incremental cost of each download. A significant majority of our downloads come from subscription-based users, wh currently contribute

approximately half of our revenue. We also offer simple and easy-to-use On Demand purchase options for users with less consistent needs. As a result of our simp and affordable licensing models, we believe that we achieved the highest volume of commercial image downloads of any single brand in our industry in 2011. I addition to driving revenue, this high volume of download activity allows us to continually improve the quality and accuracy of our search algorithms, as well as encourage the creation of new content to meet our users' needs.

Our revenue is diversified and predictable. More than 550,000 customers from more than 150 countries contributed to our revenue in 2011, with our top 2 customers in the aggregate accounting for less than 2% of our revenue. We have historically benefitted from a high degree of revenue retention from both subscriptio based and On Demand customers. For example, in 2009, 2010 and 2011, we experienced year-to-year revenue retention of 82%, 96%, and 102%, respectively. Th means that customers that contributed to our revenue in 2010 contributed, in the aggregate, 102% as much revenue in 2011 as they did in 2010. Customers typical pay us upfront and then use their downloads in a predictable pattern over time, which results in favorable cash flow characteristics and has historically adde predictability and stability to our financial performance.

We have achieved significant growth since our marketplace was launched in 2003. In 2010 and 2011, we generated revenue of $83.0 million and $120.3 millio respectively, representing period-over-period growth of 35.8% and 45.0%, respectively. In 2010 and 2011, we generated Adjusted EBITDA of $21.8 million ar $26.5 million, respectively, and Free Cash Flow of $27.6 million and $36.1 million, respectively. See "Summary Consolidated Historical and Unaudited Pro Form Financial Data—Non-GAAP Financial Measures." In 2010 and 2011, our net income was $18.9 million and $21.9 million, respectively. We are a global business; 2011, 34% of our revenue came from North America, and 66% came from the rest of the world.

Industry Overview: Commercial Digital Imagery

From the smallest start-ups to the largest multinationals, companies pay to license photographs, videos and illustrations for use in print and digital marketi materials, corporate communications, external and internal websites, social networking sites, mobile applications, games and videos. Imagery is also widely used publishing books, eBooks, magazines and news articles. The demand for paid imagery in a commercial context comes primarily from:

- *Businesses:* Large corporations, small and medium-sized businesses and sole proprietorships that have marketing, communications and design needs;
- *Marketing Agencies:* Creative service providers such as advertising agencies, media agencies, graphic design firms, web design firms and freelanc design professionals; and
- *Media Organizations:* Creators of print and digital content, from large publishers and broadcast companies to professional bloggers.

These businesses require that the images they use be of high quality and that they fulfill the licensing obligations necessary for use in a commercial context. Thes requirements were historically fulfilled by commissioning images for specific purposes, or licensing pre-shot images from a catalog or database. This typically co hundreds or thousands of dollars per image, which made licensing imagery affordable only for larger companies with significant marketing or creative budgets.

Rapid technological changes have caused a significant shift in the economics of demand and supply for commercial digital imagery. The rise of digital marketi and increases in the type and frequency of visual communications employed by businesses has caused a dramatic increase in demand for licensed imagery. At the sam time, affordable, high-quality cameras and video cameras, as well as high

performance photo and video-editing software, are enabling millions of people around the world to create commercial-quality digital imagery at very low cost. Onlir marketplaces use the disruptive power of the internet to bring these highly fragmented groups together so that businesses of all sizes can quickly search for, find, ar download affordable visual content to enhance their communications.

We estimate that the market for pre-shot commercial imagery was approximately $4 billion in 2011 and that it will grow to approximately $6 billion by 201 based on a study conducted on our behalf in August 2012 by L.E.K. Consulting LLC, or L.E.K. Within this market, the "traditional stock photography" segmer which has historically served larger businesses, is expected to remain stable at approximately $2.3 billion between 2011 and 2016. The stock photography marketplac segment along with the market for all other commercial digital imagery (i.e., stock illustrations, vectors, video, templates and fonts) is expected to grow 15-20 annually during that same period to a total of more than $3.5 billion in 2016.

Challenges in the Market for Commercial Digital Imagery

Even with the advent of websites capable of sourcing and providing commercial digital imagery, significant challenges remain for users of many onlir marketplaces, including limited selection, difficulties in finding images quickly, high or complex pricing, poor image quality, and a lack of appropriate licensing ar legal protection. At the same time, the creators of commercial digital imagery face obstacles to easily upload, market and distribute their images to a large audienc They also lack tools for discovering the kinds of content that customers demand.

The Shutterstock Solution

Key Benefits for Our Users

- *Millions of commercial-quality images* — We currently provide a licensable digital content library of more than 20 million images and video clips, one of the largest libraries of its kind. We source our content from over 35,000 approved image contributors in more than 125 countries.

- *Superior search results* — We consider our proprietary search interface and algorithms to be intuitive and efficient, allowing users with widely ranging search queries to quickly find the most suitable image for their needs. We believe that, with one of the highes volumes of downloads of commercial images in 2011, we have the data to power the best search experience in our industry.

- *Low cost of images* — Across our pricing plans, customers pay an average of approximately $2.00 per image. We believe that our disruptive pricing models increase the number of businesses that can participate in the market for commercial imagery, and the volume of images that they use.

- *Creative freedom through simple pricing* — Our subscription-based pricing model makes the creative process easier. Subscription users can download any image in our library at any resolution we offer for use in their creative process without worrying about incremental cost. For users who need fewer images, we offer simple, affordable, On Demand pricing, which is presented as a flat rate acros all images and sizes that we offer.

- *100% vetted, commercial-quality images* Each of our images has been vetted by a member of our review team for standards of quality and relevance. We also leverage proprietary review technology to pre-filter images and enhance the productivity of our reviewers.

- *Appropriately licensed images* Our review process is designed to ensure that every image is appropriately licensed for its intended use. The strength of our review process enables us to offer $10,000 of indemnification protection to every customer to cover legal costs or damages that may arise from their use of a Shutterstock image. In certain cases, we offer even greater indemnification through custom contracts.

Key Benefits for Our Contributors

- *Distribution to the largest, global audience* In 2011, shutterstock.com received an average of more than 7 million monthly unique visitors and more than 43 million monthly page views according to comScore Media Metrix, and we delivered more than 58 million paid downloads. According to industry surveys, contributors who have images available on our site generate more income through Shutterstock than through any other sites with which they are registered.

- *Global ecommerce capabilities* Our global ecommerce platform allows us to process payments from across the world in eight currencies, and our users can currently transact on our flagship website in ten languages.

- *Efficient uploading, tagging and review process* Based on user feedback and competitive benchmarking, we believe that we have the most efficient upload, tagging and review process of all of the major competitors in our industry.

- *Robust feedback, tools and information* Our contributors can monitor download activity by image and geography, as well as by self-defined image themes. We also provide data on search trends, allowing content creators to see which images and subjects are popular on our site, and to plan new content themes accordingly.

- *Specialized community* We operate a forum for the photographers, videographers and illustrators that make up our contributor community, allowing them to share tips with one another and to showcase their work.

Shutterstock's Competitive Strengths

In addition to the compelling value propositions that we offer to users and contributors, we believe that the following competitive advantages separate us from ou competitors:

A Leading Global Marketplace with Strong Network Effects. Our content library is currently one of the largest in the commercial digital imagery industr with over 20 million photographs and illustrations and more than 550,000 video clips, from more than 35,000 contributors. We believe that the growth of our conte library and the growth in our site traffic support one another through a strong network effect—a broader selection of images from our contributors attracts more imag users; this larger audience of paying

users increases the amount spent in our marketplace and attracts more content submissions from a greater number of contributors.

Extensive Data and Superior Search. We believe that we have achieved one of the highest volumes of commercial image downloads of any company in ou industry. In 2011 alone, we delivered more than 58 million paid downloads and the number of contributor-generated image tags in our library grew to more tha 550 million. This user-generated data, coupled with our investments in technology and our many years of experience in developing search algorithms for our industr have enabled us to create what we believe is the best search experience available.

Simple, Flexible and Low-Cost Pricing. Our customers' average cost per image is approximately $2.00. Our subscription plans, which we pioneered in th industry, generate an important sense of creative freedom for our professional users. Additionally, we offer simple and cost-effective On Demand purchase options fo less frequent users. The simplicity and affordability of these plans have allowed us to broaden our existing and potential user base, and deliver a high volume of pai downloads for our contributors.

Trusted, Actively Managed Marketplace. We are committed to providing a trusted online marketplace for appropriately licensed, high-quality commerci imagery. Our rigorous review process for new images ensures the integrity and quality of content in our library. Each image is individually examined by our team o trained reviewers to meet our high standards of quality and commercial viability. This review process is designed to minimize the legal risk to our users fro inappropriately licensed imagery.

Shutterstock's Growth Strategies

Acquire More Users and Contributors. Our active user base of SMBs currently represents a very small fraction of the global total of SMBs. We view this as marketing opportunity. Much of our growth to date has been driven by word of mouth recommendations; we plan to continue to foster word of mouth by continuing t grow our library and deliver exceptional service. Additionally, we expect to increase our investments in online and offline marketing to help raise awareness in ou core customer and contributor communities as well as in additional market segments and geographies.

Lead Innovation in User and Contributor Experience. With one of the largest collections of images in the industry, and one of the highest volumes of si traffic and commercial image downloads, we believe that we have more information on marketplace and user needs than any of our competitors. We intend to use th advantage to continue to improve the quality of our search algorithms and user experience. We also plan to enhance the tools we offer contributors to help them easi establish their portfolio on our site, track their performance and explore opportunities to create content that customers need. Furthermore, we intend to roll out ne product offerings and product extensions that we believe will create deeper relationships with our core communities and attract new users to our sites.

Increase Localization. We are a global company, with contributors and users in more than 150 countries and a website that is available in ten languages. W plan to deepen our global penetration among users and contributors by improving the quality of the Shutterstock experience, regardless of language or location. Ther is significant unmet demand for localized content, such as images with locally relevant themes, objects and ethnicities. We plan to increase the geographical diversi of our contributor community so that we can provide the images demanded by our increasingly global user base.

Increase Our Penetration of Media Agencies and Large Enterprises. To date, the majority of our revenue has been generated from small and medium-size businesses purchasing online. Currently, less than 10% of our revenue is generated through direct sales to large organizations. We believe that we have a strong valu proposition for large media agencies and enterprises, which have historically purchased commercial

imagery via sales-driven relationships. We are working to increase our revenue from these companies through a direct sales approach and by offering tailored purchas options.

Pursue Emerging Content Types. Alternative content types such as video footage represent significant opportunities for growth. Given the convergence photography and video tools, we believe that our network effects in still image licensing will help propel our efforts in the video market. In addition to video, we se opportunities in other emerging digital content areas that may be relevant to our customers.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in th section of this prospectus titled "Risk Factors," and include but are not limited to:

- our ability to identify, attract and retain customers and contributors to our online marketplace;
- our ability to maintain repeat purchase and subscription revenue;
- our new and rapidly changing market;
- the competitive nature of and anticipated growth in our markets;
- our ability to maintain our competitive position in a highly competitive industry;
- our ability to protect our intellectual property and protect against infringement claims made by third parties; and
- our ability to successfully navigate the risks related to our international operations and expansion.

Company Information

Our principal office is located at 60 Broad Street, 30th Floor, New York, New York 10004, and our telephone number is (646) 419-4452. Our corporate websi address is www.shutterstock.com. We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus, and yo should not consider it part of this prospectus. After launching our marketplace in 2003, we organized in the State of New York as Shutterstock, Inc. in December 200 and we became Shutterstock Images LLC in June 2007. Prior to the effectiveness of the registration statement of which this prospectus is a part, we will reorganiz from Shutterstock Images LLC, a New York limited liability company, or the LLC, to Shutterstock, Inc., a Delaware corporation, referred to as the "Reorganization In this prospectus, "we," "us," "our," "Company" and "Shutterstock" refer to Shutterstock, Inc. and its subsidiaries.

"Shutterstock," "Bigstock" and "Big Stock Photo" are registered trademarks or logos appearing in this prospectus and are the property of Shutterstock, Inc. or or of our subsidiaries. All other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners.

THE OFFERING

Common stock offered by Shutterstock	4,500,000 shares
Common stock to be outstanding after this offering	32,838,281 shares (33,513,281 shares if the over-allotment option is exercised in full)
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $54.2 million, assuming an initial public offering price of $14.00 per share, which is the midpoint of the range on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to increase our capitalization and financial flexibility, increase our visibility in the marketplace and create a public market for our common stock. We intend to use the net proceeds from this offering primarily for general corporate purposes, including working capital and capital expenditures. We may also use a portion of the net proceeds to repay all or a portion of the term loan facility that we entered into on September 21, 2012. Additionally, we may use a portion of the net proceeds to acquire or invest in complementary companies, products or technologies, although we currently do not have any acquisitions or investments planned. See "Use of Proceeds" for additional information.
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed NYSE symbol	"SSTK"

The number of shares of our common stock to be outstanding following this offering is based on 28,338,281 shares of our common stock outstanding as of September 25, 2012, after giving effect to our reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization," and excludes:

- 1,661,719 shares of our common stock issuable upon the exercise of value appreciation rights outstanding as of September 25, 2012 at a weighted average exercise price of $15.79 per share, which value appreciation rights will be exchanged for options to purchase shares of our common stock as discussed below;
- 6,750,000 shares of our common stock reserved for future grant or issuance under our 2012 Omnibus Equity Incentive Plan, which will become effective on or prior to the completion of this offering, a portion of which will be used to grant stock options in replacement of the value appreciation rights outstanding as of the Reorganization; and
- 2,000,000 shares of our common stock reserved for future issuance under our 2012 Employee Stock Purchase Plan, which will become effective upon the completion of this offering.

Except as otherwise indicated, information in this prospectus reflects or assumes the following:

- our reorganization from a New York limited liability company to a Delaware corporation, which will occur prior to the effectiveness of the registration statement of which this prospectus is a part, the concurrent exchange of all outstanding value appreciation rights for an equivalent number of

options to purchase shares of common stock and the exchange of all outstanding membership interests, including any interests that will vest upon th Reorganization, for shares of common stock, each as more fully described under "Reorganization";

- a final cash distribution to the LLC members constituting approximately all of the cash generated from the LLC's operations since the last distributio to the LLC members and any other cash and cash equivalents on hand at the time of the distribution, other than any amounts received under the ter loan facility, as described below, which will take place immediately prior to the Reorganization, as more fully described under "Reorganization";
- no exercise of value appreciation rights outstanding as of September 25, 2012;
- no exercise by the underwriters of their option to purchase additional shares of our common stock; and
- that our amended and restated certificate of incorporation, which we will file in connection with the completion of this offering, is in effect.

As discussed in greater detail under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resource —Financing Transactions" below, we recently entered into a term loan facility. Following the final distribution to members described above, the borrowings from th term loan facility will be used to fund the short-term capital needs of our operations until we generate additional cash flow from operations following this offering.

SUMMARY CONSOLIDATED HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL DATA

The following tables summarize our consolidated financial and other data for the periods ended and as of the dates indicated. We derived the consolidate statements of operations data for each of the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2011 fro our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived the consolidated statements of operations data fo each of the six months ended June 30, 2011 and 2012 and the consolidated balance sheet data as of June 30, 2012 from our unaudited consolidated financial statemen and related notes included elsewhere in this prospectus. Our historic results are not necessarily indicative of the results that may be expected in the future. You shou read this data together with our consolidated financial statements and related notes, "Capitalization," "Unaudited Pro Forma Consolidated Financial Statements "Selected Consolidated Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in th prospectus.

We derived the unaudited pro forma data and the unaudited pro forma as adjusted data for the year ended December 31, 2011, for the six months ended June 3 2012 and as of June 30, 2012 from the pro forma data and the pro forma as adjusted data provided in "Unaudited Pro Forma Consolidated Financial Statement included elsewhere in this prospectus. The pro forma and the pro forma as adjusted unaudited consolidated statements of operations data and the pro forma and the pr forma as adjusted unaudited balance sheet data were prepared as if the reorganization transactions described in "Reorganization" and this offering had taken place o January 1, 2011 and June 30, 2012, respectively.

The adjustments to the pro forma statements of operations data and the pro forma balance sheet data give effect to our corporate reorganization and relate transactions as described in "Reorganization," including:

- the reclassification of the balances of all common and preferred members' interests to common stock;
- the reclassification of an executive officer's profits interest award from other non-current liabilities to common stock;
- the recognition of deferred tax assets and liabilities at an assumed combined federal, state and city income tax rate of 39.4%;
- the recognition of the term loan facility entered into on September 21, 2012;
- the distributions to be made to members prior to the Reorganization;
- the recognition of a balance sheet adjustment associated with the vesting of equity awards; and
- a provision for income taxes as a corporation at an assumed combined federal, state and city income tax rate of 39.4% of our pre-tax net income for th year ended December 31, 2011 and for the six months ended June 30, 2012. The actual combined tax rate will depend on many factors and may b higher or lower than this assumed rate.

The adjustments to the pro forma as adjusted statements of operations data and the pro forma as adjusted balance sheet data give effect to our pro form adjustments as described above for the Reorganization and the effect of this offering based on an assumed initial public offering price of $14.00 per share (th midpoint of the price range set forth on the cover page of this prospectus), including:

- the sale of 4,500,000 shares of common stock by us in this offering at an assumed initial public offering price of $14.00 per share (the midpoint of th price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimate offering expenses payable by us in connection with this offering;

- a balance sheet adjustment associated with the accelerated vesting of 50% of the unvested portion of a profits interest award granted to an executiv officer; and

- the reclassification of deferred offering costs of $2.6 million to additional paid-in capital in connection with this offering.

The pro forma as adjusted balance sheet data gives effect to the net assumed proceeds of $54.2 million in this offering while the pro forma as adjusted net incom per share calculation includes 1,433,571 incremental shares necessary to pay the distributions in excess of earnings for the previous twelve months, and 857,14 incremental shares necessary to repay the new term loan facility. The remaining 2,209,286 shares issued in this offering are excluded from the pro forma as adjuste net income per share calculation since the proceeds will be used for general corporate and working capital purposes.

	Year Ended December 31,					Six Months Ended June 30,			
	2009	2010	2011	2011 Pro forma	2011 Pro forma as adjusted	2011	2012	2012 Pro forma	2012 Pro forma as adjusted
	(in thousands, except share and per share data)								
Consolidated Statements of Operations Data:									
Revenue	$ 61,099	$ 82,973	$ 120,271	$ 120,271	$ 120,271	$ 54,387	$ 78,199	$ 78,199	$ 78,199
Operating expenses:									
Cost of revenue	21,826	32,353	45,504	45,504	45,504	21,156	30,103	30,103	30,103
Sales and marketing	10,949	17,820	31,929	31,929	31,929	13,836	23,127	23,127	23,127
Research and development	2,361	4,591	9,777	9,777	9,777	4,255	7,070	7,070	7,070
General and administrative[1]	6,217	8,414	10,171	9,161	9,161	4,297	7,895	6,951	6,951
Total operating expenses	41,353	63,178	97,381	96,371	96,371	43,544	68,195	67,251	67,251
Income from operations	19,746	19,795	22,890	23,900	23,900	10,843	10,004	10,948	10,948
Interest income	5	19	10	10	10	7	5	5	5
Income before income taxes	19,751	19,814	22,900	23,910	23,910	10,850	10,009	10,953	10,953
Provision for income taxes[2]	909	876	1,036	10,005	10,005	462	227	4,662	4,662
Net income	$ 18,842	$ 18,938	$ 21,864	$ 13,905	$ 13,905	$ 10,388	$ 9,782	$ 6,291	$ 6,291
Pro forma as adjusted net income per share of common stock[3]:									
Basic (unaudited)					$ 0.46				$ 0.21
Diluted (unaudited)					$ 0.46				$ 0.21
Weighted average shares outstanding used to compute pro forma as adjusted net income per share of common stock[3]:									
Basic (unaudited)					30,480,415				30,497,718
Diluted (unaudited)					30,480,415				30,523,483

(1) Includes non-cash equity-based compensation of $1,833, $1,114, $2,122, $1,112 and $1,112 for the years ended December 31, 2009, 2010, 2011, 2011 pro forma and 2011 pro forma adjusted and $791, $2,157, $1,213 and $1,213 for the six months ended June 30, 2011, 2012, 2012 pro forma and 2012 pro forma as adjusted, respectively. See pro forma notes (h) a (i) on page 49 for a description of the pro forma non-cash equity compensation adjustments.

(2) For the years ended December 31, 2009, 2010 and 2011, and for the six months ended June 30, 2011 and 2012, we operated as a New York limited liability company for federal and sta income tax purposes, taxed as a partnership, and therefore were not subject to federal and state income taxes. Following the Reorganization, we will become subject to income taxes. T pro forma and pro forma as adjusted provision for income taxes for the year ended December 31, 2011 and for the six months ended June 30, 2012 assumes a combined federal, state a city income tax rate of 39.4%. The actual combined tax rate will depend on many factors and may be higher or lower than the assumed rate.

(3) The pro forma as adjusted basic net income per share of common stock reflects: (i) the reclassification of all common and preferred members' interests to shares of common stoc (ii) the issuance of 155,178 shares of common stock upon the reclassification of an executive officer's profits interest award from other non-current liabilities to common stock connection with the Reorganization and the accelerated vesting of 50% of the unvested profits interest award granted to the executive officer in connection with this offering and vesti of restricted equity awards post-Reorganization, (iii) the issuance of 112,240 shares of common stock resulting from the vesting of equity awards to one of our key employees connection with the Reorganization, (iv) 1,433,571 additional shares of common stock, which represents the share equivalent of the dollar amount of the distributions declared and pa from July 1, 2011 through the date of the Reorganization, to the extent such distributions are in excess of earnings for the previous twelve months and (v) 857,143 additional shares common stock, which represents the share equivalent of the dollar amount of the proceeds necessary to repay the new term loan facility. The pro forma as adjusted diluted net income p share of common stock reflects the dilution resulting from the issuance of 0 additional shares of common stock for the year ended December 31, 2011 and 25,765 additional shares common stock for the six months ended June 30, 2012, in each case arising from assumed exercise of options and potentially dilutive restricted shares of common stock. The pro forr as adjusted basic and diluted income per share of common stock includes assumed additional shares of 2,290,714 issued in the offering and described in subsections (iv) and (v). T remaining 2,209,286 shares issued in this offering are excluded from the pro forma as adjusted net income per share calculations since the proceeds will be used for general corpora and working capital purposes.

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
Other Financial and Operational Data:					
Adjusted EBITDA (in thousands)[1]	$ 21,983	$ 21,783	$ 26,532	$ 12,258	$ 13,321
Free cash flow (in thousands)[2]	$ 26,399	$ 27,591	$ 36,095	$ 18,377	$ 16,053
Paid downloads (in millions) (during period)[3]	34.0	44.1	58.6	27.7	35.9
Revenue per download (during period)[4]	$ 1.80	$ 1.88	$ 2.05	$ 1.97	$ 2.18
Images in our library (in millions) (end of period)[5]	8.9	13.3	17.4	15.2	20.2

(1) See "—Non-GAAP Financial Measures" below as to how we define and calculate Adjusted EBITDA and for a reconciliation between Adjusted EBITDA and net income, the mo directly comparable GAAP financial measure and a discussion about the limitations of Adjusted EBITDA.

(2) See "—Non-GAAP Financial Measures" below as to how we define and calculate Free Cash Flow and for a reconciliation between Free Cash Flow and net cash provided by operati activities, the most directly comparable GAAP financial measure and a discussion about the limitations of Free Cash Flow.

(3) Paid downloads is the number of paid image downloads that our customers make during a given period. See "Management's Discussion and Analysis of Financial Condition and Resu of Operations—Key Operating Metrics—Paid Downloads" for more information as to how we define and calculate paid downloads.

(4) Revenue per download is the amount of revenue recognized in a given period divided by the number of paid downloads in that period. See "Management's Discussion and Analysis Financial Condition and Results of Operations—Key Operating Metrics—Revenue per Download" for more information as to how we define and calculate paid revenue per download.

(5) Images in our library is the total number of photographs, vectors and illustrations available on shutterstock.com to customers at the end of the period. See "Management's Discussion a Analysis of Financial Condition and Results of Operations—Key Operating Metrics—Images in our Library" for more information as to how we define and calculate paid images in o library.

	As of June 30, 2012		
	Actual	Pro forma[1]	Pro forma as adjusted[2]
		(in thousands) (unaudited)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 15,042	$ 9,592	$ 54,349
Working capital (deficit)	(33,432)	(36,151)	18,039
Property and equipment, net	5,479	5,479	5,479
Total assets	30,229	39,409	81,599
Deferred revenue	33,626	33,626	33,626
Term loan facility	—	12,000	—
Total liabilities	59,801	67,924	55,924
Redeemable preferred members' interest	29,937	—	—
Common members' interest	5,699	—	—
Total members' interest (deficit)	(59,509)	—	—
Total stockholders' equity	—	(28,515)	25,675

(1) Presented on a pro forma basis to give effect to: (i) the reclassification of all common and preferred members' interests to shares of common stock; (ii) the reclassification of an executi officer's profits interest award from other non-current liabilities to common stock; (iii) deferred tax assets and liabilities at an assumed combined federal, state, and city tax rate of 39.4% (iv) recognition of the term loan facility we entered into on September 21, 2012; (v) distributions to be made to members prior to the Reorganization; and (vi) a balance sheet adjustme associated with the vesting of equity awards.

(2) Presented on a pro forma as adjusted basis to give effect to: (i) the adjustments described in note (1) above; (ii) the sale of 4,500,000 shares of common stock by us in this offering at assumed initial public offering price of $14.00 per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discou and commissions and estimated offering expenses payable by us in connection with this offering; (iii) the accelerated vesting of 50% of the unvested profits interest award granted to t executive officer in connection with this offering; (iv) reclassification of deferred offering costs from working capital and total assets to additional paid-in capital; and (v) reflec repayment of the term loan facility we entered into on September 21, 2012.

Non-GAAP Financial Measures

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we have disclosed within this prospectus Adjusted EBITDA, a non-GAA financial measure. We define Adjusted EBITDA as income from operations before depreciation and amortization, non-cash equity-based compensation, interest an taxes. We believe Adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compa our core operating results from period to period by removing the impact of our asset base (depreciation and amortization), non-cash equity-based compensatio interest and taxes.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of ou results as reported under GAAP as the excluded items may have significant effects on our operating results and financial condition. When evaluating our performanc you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP result Additionally, our Adjusted EBITDA measure may differ from other companies' Adjusted EBITDA as it is a non-GAAP disclosure.

The following is a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure:

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
		(in thousands)			
Net income	$ 18,842	$ 18,938	$ 21,864	$ 10,388	$ 9,782
Non-GAAP adjustments:					
Depreciation and amortization	404	874	1,520	624	1,160
Non-cash equity-based compensation	1,833	1,114	2,122	791	2,157
Interest (income)	(5)	(19)	(10)	(7)	(5)
Provision for income taxes	909	876	1,036	462	227
Adjusted EBITDA	$ 21,983	$ 21,783	$ 26,532	$ 12,258	$ 13,321

Free Cash Flow

To provide investors with additional information regarding our financial results, we have disclosed within this prospectus Free Cash Flow, a non-GAAP financi measure. We define Free Cash Flow as our cash provided by operating activities, adjusted to exclude cash interest income, and subtracting capital expenditures. W believe that Free Cash Flow is an important measure of liquidity because it allows management, investors and others to evaluate the cash that we generate after th financing of projects required to maintain or expand our asset base. When evaluating our performance, you should consider Free Cash Flow alongside other financi performance measures, including various cash flow metrics, net income and our other GAAP results. Additionally, our Free Cash Flow measure may differ from oth companies' Free Cash Flow as it is a non-GAAP disclosure.

The following is a reconciliation of Free Cash Flow to net cash provided by operating activities, the most directly comparable GAAP measure:

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
		(in thousands)			
Net cash provided by operating activities	$ 27,151	$ 28,726	$ 39,547	$ 19,938	$ 18,922
Interest income	5	19	10	7	5
Capital expenditures	(747)	(1,116)	(3,442)	(1,554)	(2,864)
Free cash flow	$ 26,399	$ 27,591	$ 36,095	$ 18,377	$ 16,053

RISK FACTORS

This offering and an investment in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with the financial and other information contained in this prospectus, before deciding whether to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition or operating results could be materially adversely affected. This could cause the trading price of our common stock to decline, and you may lose part or all of your investment.

Risks Relating to Our Business and Industry

The success of our business depends on our ability to continue to attract customers and contributors to our online marketplace for commercial digital imagery.

The success of our business and our future growth depends significantly on our ability to continue to attract and retain new customers and contributors to our online marketplace for commercial digital imagery. To maintain and increase our revenue, we must regularly add new customers and retain our existing customers. An increase in paying customers has generally attracted more images from contributors, which increases our content selection and in turn attracts additional paying customers. To attract new customers and contributors and retain existing customers and contributors, we rely heavily on the effectiveness of our marketing efforts, the size and content of our image library and the functionality and features of our marketplace. Our marketing efforts may be unsuccessful, our image library may fail to grow as anticipated and new technologies may render the systems and features of our marketplace obsolete, any of which would adversely affect our results of operations and future growth prospects.

Our business depends in large part on repeat customer purchases from both our subscription-based and our On Demand purchase options. If customers reduce or cease their spending with us, or if content contributors reduce or end their participation in our marketplace, our business will be harmed.

The majority of our revenue is derived from customers who have purchased with us in the past. As a result, our future performance largely depends on our ability to motivate our customers to continue to purchase from us. A key factor in creating such an incentive is our ability to provide customers with the images they seek and to refresh and grow our library of digital imagery based on current and future trends. We seek to achieve these goals by attracting new contributors to our marketplace and by retaining our existing contributors. If we are unable to attract new contributors, retain existing contributors or add new imagery to our online marketplace, or if we fail to do so in a timely manner, customers requiring new and up-to-date content may reduce their spending with us. Another key factor in retaining our existing customers is our ability to deliver a user experience that continues to meet customers' needs, including the quality and accuracy of our search algorithms. If we are unable to maintain or improve upon the user experience that we deliver customers in a way that motivates our customers to continue to purchase from us, our business would be harmed. Furthermore, although historically the gross margins and revenue retention rates from our subscription-based and our On Demand purchase options have been substantially similar, there can be no assurance that this will continue in future periods. To the extent that revenue from our On Demand purchases continues to increase as a percentage of our total revenue, we will become more dependent upon such purchase options.

We operate in a new and rapidly changing market, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

The market for commercial digital imagery is a relatively new and rapidly changing market that may not develop as expected. Our business strategy and projections rely on a number of assumptions about the market for commercial digital imagery, including the size and projected growth of the market over the next several years. Some or all of these assumptions may be incorrect. The market for online commercial digital

imagery may not develop as we expect or as third party analysts have forecasted or we may fail to address the needs of this market.

The limited history of the market in which we operate makes it difficult to effectively assess our future prospects, and you should consider our business and prospects in light of the risks and difficulties we encounter in this evolving market. These risks and difficulties include our ability to:

- attract new customers and retain existing customers;
- offer customers the kinds of images they are seeking;
- successfully compete with other companies that are currently in, or may in the future enter, the commercial digital imagery marketplace;
- protect against the misuse of our imagery;
- raise awareness of our online community and brand name;
- successfully expand our business;
- develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased customer and contributor usage globally, as well as the deployment of new features and services; and
- avoid interruptions or disruptions in our services.

We may not be able to successfully address these risks and difficulties or others, including those described elsewhere in these risk factors. We cannot accurately predict whether our products and services will achieve significant acceptance by potential customers in significantly larger numbers than at present. You should therefore not rely on our historic growth rates as an indication of future growth.

Our business is highly competitive. Competition presents an ongoing threat to the success of our business.

The commercial digital imagery industry is intensely competitive. Competition may result in loss of market share, pricing pressures or reduced profit margins, any of which could substantially harm our business and results of operations. We compete with a wide array of companies, from significant media companies to individual imagery creators, to provide commercial digital imagery to users of such imagery. These competitors include:

- other online marketplaces for imagery such as iStockphoto, Fotolia and Dreamstime;
- traditional stock content providers such as Getty Images and Corbis Corporation;
- specialized visual content companies that are established in local, content or product-specific market segments such as Reuters Group PLC, the Associated Press and Thought Equity Motion;
- websites focused on image search and discovery such as Google Images;
- websites for image hosting, art and related products such as Flickr;
- social networking and social media services such as Facebook; and
- commissioned photographers and photography agencies.

We believe that the principal competitive factors in the commercial digital imagery industry are: brand awareness; company reputation; the quality, relevance and diversity of images; the ability to source new imagery; the licensability of images and the degree to which image users are protected from legal risk; the effective use of current and emerging technology; the accessibility of imagery, distribution capability, and speed and ease of search and fulfillment; customer service; and the global nature of a company's interfaces and marketing efforts, including local languages, currencies, and payment methods. In addition, demand

for our services is sensitive to price. Many external factors, including our technology and personnel costs and our competitors' pricing and marketing strategies, could significantly impact our pricing strategies. If we fail to meet our customers' price expectations, we could lose customers. A drop in our prices without a corresponding increase in volume would negatively impact our revenues.

Some of our existing and potential competitors have or may obtain significantly greater financial, marketing or other resources or greater brand awareness than we have. Some of these competitors may be able to respond more quickly to new or expanding technology and devote more resources to product development, marketing or content acquisition than we can. If competitors offer higher royalties, easier contribution workflows, less selective vetting processes or convince contributors to distribute their content on an exclusive basis, contributors may choose to stop distributing new content with us or remove their existing content from our library. Competitors may also seek to develop new products, technologies or capabilities that could render obsolete or less competitive many of the products, services and content types that we offer. If we are unable to compete successfully against our competitors, our growth prospects and results of operations may be adversely affected.

New competitors could enter our market and we may be unsuccessful in competing with these new entrants.

New competitors may enter our market, particularly if technological advances or other market dynamics make creating, sourcing, archiving, indexing, reviewing, searching or delivering commercial digital images easier or more affordable. While we believe that there are obstacles to creating a meaningful network effect between customers and contributors, the barriers to creating a website that allows for the sale of digital content are low, which could result in greater competition. Our contributors, for example, may freely offer the images they provide to us to our competitors and may remove their images at any time. New entrants may raise significant amounts of capital and they may choose to prioritize increasing their market share and brand awareness over profitability, including, for example, by offering higher royalties for exclusivity. Additionally, larger, more established and better capitalized entities may acquire, invest in or partner with our competitors or leverage their own image-related competencies to enter our market. If we are unable to compete successfully against new entrants, our growth prospects and results of operations may be adversely affected.

We may not be able to prevent the misuse of our imagery and we may be subject to infringement claims.

We rely on intellectual property laws and contractual restrictions to protect our rights and the imagery in our library. Certain countries are very lax in enforcing intellectual property laws. Litigation in those countries will likely be costly and ineffective. Consequently, these intellectual property laws afford us only limited protection. Unauthorized parties have attempted, and may attempt, to improperly use our licensed digital imagery. We cannot guarantee that we will be able to prevent the unauthorized use of our digital imagery or that we will be successful in stopping such use once it is detected.

We have been subject to a variety of third-party infringement claims in the past and will likely be subject to similar claims in the future. We license all of our digital imagery from photographers, illustrators and videographers, and, although we have staff committed to reviewing each image that we accept into our library, we cannot guarantee that each contributor holds the rights or releases he or she claims or that such rights and releases are adequate. As a result, we may be subject to infringement claims or other claims by third parties. Furthermore, we offer our customers indemnification of up to $10,000 for legal costs and direct damages arising from the use of an image or video footage licensed through us. We also offer some of our customers custom contracts that either provide for larger indemnification amounts or unlimited indemnification. However, our contractual maximum liability may not be enforceable in all jurisdictions. We maintain insurance policies to cover potential intellectual property disputes. Since 2009, we have received approximately 30 customer claims for indemnification. Following investigation of such claims, less than one-third resulted in our making a cash payment to settle such claims. Aggregate amounts paid to date to settle customer indemnification claims have not been material. Although we have insurance to

cover indemnification claims, and although, to date, these claims have not resulted in any material liability to us, we have incurred, and will continue to incur, expenses related to such claims and related settlements, which may increase over time.

If a third-party infringement claim or series of claims is brought against us for uninsured liabilities or in excess of our insurance coverage, our business could suffer. In addition, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or scope to protect us against all losses. Any claims against us, regardless of their merit, could severely harm our financial condition and reputation, strain our management and financial resources, and adversely affect our business.

Assertions by third parties of infringement or other violations by us of intellectual property rights could result in significant costs and substantially harm our business and operating results.

Internet, technology and media companies are frequently subject to litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights or rights related to their use of technology. Some internet, technology and media companies, including some of our competitors, own large numbers of patents, copyrights, trademarks and trade secrets, which they may use to assert claims against us. Third parties may in the future assert that we have infringed, misappropriated or otherwise violated their intellectual property rights, and as we face increasing competition, the possibility of intellectual property rights claims against us grows. Such litigation may involve patent holding companies or other adverse patent owners who have no relevant product revenue, and therefore our own issued and pending patents may provide little or no deterrence to these patent owners in bringing intellectual property rights claims against us. Existing laws and regulations are evolving and subject to different interpretations, and various federal and state legislative or regulatory bodies may expand current or enact new laws or regulations. We cannot assure you that we are not infringing or violating any third-party intellectual property rights or rights related to use of technology.

We cannot predict whether assertions of third-party intellectual property rights or any infringement or misappropriation or other claims arising from such assertions will substantially harm our business and operating results. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Furthermore, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed a party's intellectual property; cease making, licensing or using content that is alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our technology; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; and to indemnify our partners and other third parties. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to us, or at all, and may require significant royalty payments and other expenditures. In addition, any lawsuits regarding intellectual property rights, regardless of their success, could be expensive to resolve and would divert the time and attention of our management and technical personnel.

Unless we increase market awareness of our company and our services, our revenue may not continue to grow.

We believe that our ability to attract and retain new customers and contributors depends in large part on our ability to increase our brand awareness within our industry. In order to increase the number of our customers and contributors, we may be required to expend greater resources on advertising, marketing, and other brand-building efforts to preserve and enhance customer and contributor awareness of our brand. Currently, a significant portion of our marketing spending consists of search engine marketing, which exposes us to risk in the event that one or more large search engines were to reconfigure their algorithms in such a way that would result in less business for us.

Our marketing campaigns or other efforts to increase our brand awareness may not succeed in bringing new visitors to our online marketplace or converting such visitors to paying customers or contributors and may not be cost-effective. Our brand may be impaired by a number of other factors, including disruptions in service due to technology issues, data privacy and security issues, and exploitation of our trademarks and other intellectual property by others without our permission.

We have experienced rapid growth in recent periods. If we fail to effectively manage our growth, our business and operating results may suffer.

We have experienced, and expect to continue to experience, significant growth, which has placed, and will continue to place, significant demands on our management and our operational and financial infrastructure. We expect that our growth strategy will require us to commit substantial financial, operational and technical resources. Continued growth could also strain our ability to maintain reliable operation of our online marketplaces for our customers and contributors, develop and improve our operational, financial and management controls, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. As our operations grow in size, scope and complexity, we will need to improve and upgrade our systems and infrastructure, which will require significant expenditures and allocation of valuable management resources. If we fail to allocate limited resources effectively in our organization as it grows, our business, operating results and financial condition will suffer.

One of our strategic goals is to generate a larger percentage of our revenue from larger companies, which may place greater demands on us in terms of increased service, indemnification or working capital requirements, any of which could increase our costs or substantially harm our business and operating results.

One of our strategic goals is to increase the percentage of our revenues that come from larger companies, in addition to the small and medium-size companies from whom we have generated the majority of our revenue historically. In order to win the business of larger companies, we may face greater demands in terms of increased service requirements, greater indemnification requirements, greater pricing pressure, and greater working capital to accommodate the larger receivables and collections issues that are likely to occur as a result of being paid on credit terms. If we are unable to adequately address those demands, it may affect our ability to grow our business in this segment, which may adversely affect our results of operations and future growth. If we address those demands in a way that expands our risk of infringement claims, significantly increases our operating costs, reduces our ability to maintain or increase pricing, or increases our working capital requirements, our business, operating results and financial condition may suffer.

Continuing expansion into international markets is important for our growth, and as we continue to expand internationally, we face additional business, political, regulatory, operational, financial and economic risks, any of which could increase our costs or otherwise limit our growth.

Continuing to expand our business to attract customers and contributors in countries other than the United States is a critical element of our business strategy. In 2011, approximately 66% of our revenue was derived from customers located outside of North America. While a significant portion of our customers reside outside of the United States, we have a limited operating history as a company outside the United States. We expect to continue to devote significant resources to international expansion through establishing additional offices, hiring additional overseas personnel and exploring acquisition opportunities. In addition, we expect to increase marketing for our foreign language offerings and to further localize our library and user experience for foreign markets. Our ability to expand our business and to attract talented employees, and customers and contributors in an increasing number of international markets requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures,

customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. Expanding our international focus may subject us to risks that we have not faced before or increase risks that we currently face, including risks associated with:

- modifying our technology and marketing our offerings for customers and contributors beyond the 10 languages we currently offer;
- localizing our content to foreign customers' preferences and customs;
- legal, political or systemic restrictions on the ability of U.S. companies to do business in foreign countries, including, among others, restrictions imposed by the U.S. Office of Foreign Assets Control (OFAC) on the ability of U.S. companies to do business in certain specified foreign countries or with certain specified organizations and individuals;
- compliance with foreign laws and regulations, including disclosure requirements, privacy laws, rights of publicity, technology laws and laws relating to content;
- protecting and enforcing our intellectual property rights;
- recruiting and retaining talented and capable management and employees in foreign countries;
- potential adverse foreign tax consequences;
- strains on our financial and other systems to properly administer VAT, withholdings and other taxes;
- currency exchange fluctuations;
- remedying the material weakness in our internal control over financial reporting relating to tax compliance; and
- higher costs associated with doing business internationally.

These risks may make it impossible or prohibitively expensive to expand to new international markets, or delay entry into such markets, which may affect our ability to grow our business.

Following our Reorganization, we will be subject to entity-level taxation, which will result in significantly greater income tax expense than we have incurred historically.

Historically, we have operated as a New York limited liability company. As a limited liability company, we recognize no federal and state income taxes, as the members of the LLC, and not the entity itself, are subject to income tax on their allocated share of our earnings. Prior to the effectiveness of the registration statement of which this prospectus is a part, we will reorganize as a Delaware corporation. Consequently, on a going-forward basis, we will be subject to entity-level taxation even though historically Shutterstock Images LLC has not had to pay U.S. federal or state income taxes. As a result, our corporate income tax rate will increase significantly as we become subject to federal, state and additional city income taxes.

Our operations may expose us to greater than anticipated income tax liabilities, which could harm our financial condition and results of operations.

We plan to structure our activities in a manner so as to minimize our tax liabilities. However, we have operations in various taxing jurisdictions in the United States and foreign countries, and there is a risk that our tax liabilities in one or more jurisdictions could be more than reported relative to prior taxable periods and more than anticipated relative to future taxable periods.

In addition, the determination of our worldwide provision for income taxes, tax withholdings and other tax liabilities requires significant judgment and there are many transactions and calculations for which the ultimate tax determination is uncertain. Although we believe our estimates are reasonable, our ultimate tax liability may differ from the amounts recorded in our financial statements and may materially

adversely affect our financial results in the period or periods for which such determination is made. We have created reserves with respect to such tax liabilities where we believe it to be appropriate. However, there can be no assurance that our ultimate tax liability will not exceed the reserves that we have created.

Furthermore, the current administration of the U.S. federal government has made public statements indicating that it has made international tax reform a priority, and key members of the U.S. Congress have conducted hearings and proposed changes to U.S. tax laws. Recent changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits and the deferral of certain tax deductions until earnings outside of the United States are repatriated to the United States, as well as other changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to the large and expanding scale of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and harm our financial position and results of operations.

We currently have a material weakness in our internal control over financial reporting relating to compliance with certain tax regulations, that, if not properly remediated, could impair our ability to comply with the accounting and reporting requirements applicable to public companies.

In connection with the audit of our financial statements as of and for the year ended December 31, 2011, we and our independent registered public accounting firm identified a material weakness in internal control over financial reporting with respect to our tax compliance process. Specifically, it was determined that we did not have adequate procedures and controls to appropriately comply with, and account for, certain non-income tax regulations. These non-income tax issues related to underpayment of international consumption tax, sales and use tax and royalty withholdings compliance. A material weakness is defined as a significant deficiency, or a combination of significant deficiencies, that results in a reasonable possibility that a material misstatement of our financial statements will not be prevented by our internal control over financial reporting. A significant deficiency means a control deficiency, or a combination of control deficiencies, that adversely affects our ability to initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of our financial statements that is more than inconsequential will not be prevented or detected by our internal control over financial reporting.

We are working to remediate the material weakness. We have begun taking numerous steps and plan to take additional steps to remediate the underlying causes of the material weakness, primarily through a search for a tax specialist and updating our systems in order to collect the necessary data and taxes to comply with our required tax compliance processes. We intend to hire a tax specialist with the appropriate knowledge and ability to fulfill our obligations to comply with the accounting and reporting requirements applicable to public companies. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating this material weakness. If we are unable to successfully remediate this material weakness, it could harm our operating results, cause us to fail to meet our SEC reporting obligations or applicable stock exchange listing requirements on a timely basis, cause our stock price to be adversely affected or result in inaccurate financial reporting or material misstatements in our annual or interim financial statements.

Our operations may expose us to greater than anticipated sales and transaction tax liabilities, including VAT, which could harm our financial condition and results of operations.

We may have exposure to sales or other transaction taxes (including VAT) on our past and future transactions. A successful assertion by any state or local jurisdiction or country that we failed to pay such sales or other transaction taxes, or the imposition of new laws requiring the payment of such taxes, could result in substantial tax liabilities related to past sales, create increased administrative burdens or costs,

discourage customers from purchasing images from us, or otherwise substantially harm our business and results of operations. See also "—Risks Related to This Offering and Ownership of Our Common Stock—We currently have a material weakness in our internal control over financial reporting relating to compliance with certain tax regulations that, if not properly remediated, could impair our ability to comply with the accounting and reporting requirements applicable to public companies."

If we do not respond to technological changes or upgrade our website and technology systems, our growth prospects and results of operations could be adversely affected.

To remain competitive, we must continue to enhance and improve the functionality and features of our websites in addition to our infrastructure. Although we currently do not have specific plans for any infrastructure upgrades that would require significant capital investment outside of the normal course of business, in the future we will need to improve and upgrade our technology, database systems and network infrastructure in order to allow our business to grow in both size and scope. Without such improvements, our operations might suffer from unanticipated system disruptions, slow application performance or unreliable service levels, any of which could negatively affect our reputation and ability to attract and retain customers and contributors. Furthermore, in order to continue to attract and retain new customers, we are likely to incur expenses in connection with continuously updating and improving our user interface and experience. We may face significant delays in introducing new services, products and enhancements. If competitors introduce new products and services using new technologies or if new industry standards and practices emerge, our existing websites and our proprietary technology and systems may become obsolete or less competitive, and our business may be harmed. In addition, the expansion and improvement of our systems and infrastructure may require us to commit substantial financial, operational and technical resources, with no assurance that our business will improve.

Technological interruptions that impair access to our websites or the efficiency of our marketplace would damage our reputation and brand and adversely affect our results of operations.

The satisfactory performance, reliability and availability of our websites and our network infrastructure are critical to our reputation, our ability to attract and retain both customers and contributors to our online marketplace and our ability to maintain adequate customer service levels. Any system interruptions that result in the unavailability of our websites could result in negative publicity, damage our reputation and brand or adversely affect our results of operations. We may experience temporary system interruptions for a variety of reasons, including security breaches and other security incidents, viruses, telecommunication and other network failures, power failures, software errors, data corruption or an overwhelming number of visitors trying to reach our websites during periods of strong demand. We rely upon third-party service providers, such as co-location and cloud service providers, for our data centers and application hosting, and we are dependent on these third parties to provide continuous power, cooling, internet connectivity and physical security for our servers. In the event that these third-party providers experience any interruption in operations or cease business for any reason, or if we are unable to agree on satisfactory terms for continued hosting relationships, our business could be harmed and we could be forced to enter into a relationship with other service providers or assume hosting responsibilities ourselves. Although we operate two data centers in an active/standby configuration for geographic and vendor redundancy and even though we maintain a third disaster recovery facility to back up our content library, a system disruption at the active data center could result in a noticeable disruption to our websites until all website traffic is redirected to the standby data center. Even a disruption as brief as a few minutes could have a negative impact on marketplace activities and could therefore result in a loss of revenue. Because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. In addition, we have entered into service level agreements with some of our larger customers. Technological interruptions could result in a breach of such agreements and subject us to considerable penalties.

Failure to protect our intellectual property could substantially harm our business and operating results.

The success of our business depends on our ability to protect and enforce our patents, trade secrets, trademarks, copyright and all of our other intellectual property rights, including our intellectual property rights underlying our online marketplace and search algorithms. We attempt to protect our intellectual property under trade secret, trademark, copyright and patent law, and through a combination of employee and third-party nondisclosure agreements, other contractual restrictions, and other methods. These afford only limited protection. Despite our efforts to protect our intellectual property rights and trade secrets, unauthorized parties may attempt to copy aspects of our intellectual property and use our trade secrets and other confidential information. Moreover, policing our intellectual property rights is difficult, costly and may not always be effective. To the extent these unauthorized parties, which may include our competitors, are successful in copying aspects of our search algorithms and our trade secrets, our business could be harmed.

We have registered "Shutterstock," "Bigstock" and other marks as trademarks in the United States. Nevertheless, competitors may adopt service names similar to ours, or purchase our trademarks and confusingly similar terms as keywords in internet search engine advertising programs, thereby impeding our ability to build brand identity and possibly leading to confusion among our customers. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the term Shutterstock or our other trademarks. Any claims or customer confusion related to our trademarks could damage our reputation and brand and substantially harm our business and operating results.

We currently own the www.shutterstock.com internet domain name and various other related domain names. Domain names are generally regulated by internet regulatory bodies. If we lose the ability to use a domain name in a particular country, we would be forced either to incur significant additional expenses to market our products within that country or to elect not to sell products in that country. Either result could harm our business and operating results. The regulation of domain names in the United States and in foreign countries is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain the domain names that utilize our brand names in the United States or other countries in which we conduct business or in which we may conduct business in the future.

In order to protect our trade secrets and other confidential information, we rely in part on confidentiality agreements with our employees, consultants and third parties with whom we have relationships. These agreements may not effectively prevent disclosure of trade secrets and other confidential information and may not provide an adequate remedy in the event of misappropriation of trade secrets or any unauthorized disclosure of trade secrets and other confidential information. In addition, others may independently discover our trade secrets and confidential information, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce or determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. Failure to obtain or maintain trade secret protection, or our competitors' acquisition of our trade secrets or independent development of unpatented technology similar to ours or competing technologies, could adversely affect our competitive business position.

Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and foreign countries may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trademarks, trade secrets and domain names and to determine the validity and scope of the proprietary rights of others. Furthermore, the monitoring and protection of our intellectual property rights may become more difficult, costly and time consuming as we continue to expand internationally, particularly in those markets, such as China and certain other developing countries in Asia, in which legal protection of intellectual property

rights is less robust than in the United States and in Europe. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources and management time, each of which could substantially harm our operating results.

Much of the software and technologies used to provide our services incorporate, or have been developed with, "open source" software, which may restrict how we use or distribute our services or require that we publicly release certain portions of our source code.

Much of the software and technologies used to provide our services incorporate, or have been developed with, "open source" software. Such "open source" software may be subject to third party licenses that impose restrictions on our software and services. Examples of "open source" licenses include the GNU General Public License and GNU Lesser General Public License. Such open source licenses typically require that source code subject to the license be made available to the public and that any modifications or derivative works to open source software continue to be licensed under open source licenses. Few courts have interpreted open source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. We rely on multiple software engineers to design our proprietary technologies, and we do not exercise complete control over the development efforts of our engineers. In the event that portions of our proprietary technology are determined to be subject to an open source license, we could be required to publicly release portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our services and technologies and materially and adversely affect our ability to sustain and grow our business.

Our operating results may fluctuate, which could cause our results to fall short of expectations and our stock price to decline.

Our revenue and operating results could vary significantly from quarter to quarter and year to year due to a variety of factors, many of which are outside our control. As a result, comparing our operating results on a period to period basis may not be meaningful. In addition to other risk factors discussed in this "Risk Factors" section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to retain our current customers and to attract new customers and contributors;
- our ability to provide new and relevant imagery to our customers;
- our ability to effectively manage our growth;
- the effects of increased competition on our business;
- our ability to keep pace with changes in technology or our competitors;
- changes in our pricing policies or the pricing policies of our competitors;
- interruptions in service, whether or not we are responsible for such interruptions, and any related impact on our reputation and brand;
- costs associated with defending any litigation or other claims, including those related to our indemnification of our customers;
- our ability to pursue, and the timing of, entry into new geographies or markets and, if pursued, our management of this expansion;
- the impact of general economic conditions on our revenue and expenses;
- seasonality;

- changes in government regulation affecting our business; and
- costs related to potential acquisitions of technology or businesses.

Because of these risks and others, it is possible that our future results may be below our expectations and the expectations of analysts and investors. In such an event, the price of our common stock may decline significantly.

Our failure to protect the confidential information of our customers and our networks against security breaches and the risks associated with credit card fraud could expose us to liability, protracted and costly litigation and damage our reputation.

We collect limited confidential information in connection with registering customers and contributors and other marketplace-related processes on our websites and, in particular, in connection with processing and remitting payments to and from our customers and contributors. Although we maintain security features on our websites, our security measures may not detect or prevent all attempts to hack our systems, denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our websites. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication to effectively secure transmission of the confidential information that we process for our customers, and such technology may fail to function properly or may be compromised or breached. Additionally, as described above, we use third-party co-location and cloud service vendors for our data centers and application hosting, and their security measures may not prevent security breaches and other disruptions that may jeopardize the security of information stored in and transmitted through their systems. A party that is able to circumvent our security measures could misappropriate proprietary information, cause interruption in our operations, damage or misuse our websites, distribute or delete content owned by our contributors, and misuse the information that they misappropriate. Additionally, our systems may be breached by third parties without our being aware that our systems or data have been compromised. We may be required to expend significant capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches. In addition, a significant cybersecurity breach could result in payment networks prohibiting us from processing transactions on their networks. Security and fraud-related issues are likely to become more challenging as we expand our operations.

Furthermore, some of the software and services that we use to operate our business, including our internal email and customer relationship management software, are hosted by third parties. If these services were to be interrupted or were to cause us to lose control of confidential information, our business operations could be disrupted and we could be exposed to liability and costly litigation.

Under current credit card practices, we are liable for fraudulent credit card transactions because we do not obtain a cardholder's signature. We do not currently carry insurance against this risk. To date, we have experienced minimal losses from credit card fraud, but we continue to face the risk of significant losses from this type of fraud.

If any compromise of our security were to occur, we may lose customers and our reputation, business, financial condition and operating results could be harmed. Any compromise of security may result in us being out of compliance with U.S. federal and state, and international laws and we may be subject to lawsuits, fines, criminal penalties, statutory damages, and other costs. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or orders or other federal, state, or international privacy or consumer protection-related laws and regulations, could result in proceedings or actions against us by governmental entities or others, subject us to significant penalties and negative publicity, and adversely affect our results of operations. In addition, our failure to adequately control fraudulent credit card transactions could damage our reputation and brand and substantially harm our business and results of operations.

Government regulation of the internet, both in the United States and abroad, is evolving and unfavorable changes could have a negative impact on our business.

The adoption, modification or interpretation of laws or regulations relating to the internet or other areas of our business could adversely affect the manner in which we conduct our business or the overall popularity or growth in use of the internet. Such laws and regulations may cover automatic contract or subscription renewal, credit card processing procedures, sales and other procedures, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts, consumer protection, broadband residential internet access and the characteristics and quality of services. In certain countries, such as those in Europe, such laws may be more restrictive than in the United States. It is not clear how existing laws governing issues such as property ownership, sales and other taxes, and personal privacy apply to the internet and ecommerce as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or ecommerce. Those laws that do reference the internet are only beginning to be interpreted by the courts and their applicability and reach are therefore uncertain. For example, the Children's Online Privacy Protection Act imposes additional restrictions on the ability of online services to collect user information from minors. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause us to incur additional expenses, make it more difficult to renew subscriptions automatically, make it more difficult to attract new subscribers or otherwise alter our business model. Any of these outcomes could have a material adverse effect on our business, financial condition or results of operations.

We currently operate in more than 150 countries. The privacy, data protection, censorship and liability standards and regulations, and different intellectual property laws that apply in each of those foreign countries, may be different than those that apply to companies operating solely within the United States. To the extent that we are not in compliance with applicable local laws and regulations, our business may be harmed.

Expansion of our operations into additional content categories may subject us to additional business, legal, financial and competitive risks.

Currently, our operations are focused in significant part on digital still images. Further expansion of our operations and our marketplace into video footage or additional content categories involves numerous risks and challenges, including increased capital requirements, potential new competitors and the need to develop new contributor and strategic relationships. Growth into additional content areas may require changes to our existing business model and cost structure and modifications to our infrastructure and may expose us to new regulatory and legal risks, any of which may require expertise in which we have little or no experience. There is no guarantee that we will be able to generate sufficient revenue from sales of such content to offset the costs of acquiring such content.

The impact of worldwide economic conditions, including effects on advertising and marketing budgets, may adversely affect our business and operating results.

Our financial condition is affected by worldwide economic conditions and their impact on advertising spending. Expenditures by advertisers generally tend to reflect overall economic conditions, and to the extent that the economy stagnates, companies may reduce their spending on advertising and marketing, and thus the use of our online marketplace. This could have a serious adverse impact on our business. To the extent that overall economic conditions reduce spending on advertising and marketing activities, our ability to retain current and obtain new customers could be hindered, which could reduce our revenue and negatively impact our business.

Our loan agreement contains operating and financial covenants that may restrict our business and financing activities.

We are party to a loan and security agreement relating to our term loan facility with Silicon Valley Bank. The term loan made under this loan and security agreement is secured by substantially all of our assets, not including our intellectual property. Our loan and security agreement restricts our ability to:

- incur additional indebtedness, other than in certain specified cases;
- create subordinated indebtedness, other than under certain specified conditions;
- create liens on our assets, other than in certain specified cases;
- enter into transactions with affiliates, other than ordinary course, arm's length transactions;
- make investments or distributions, other than in certain specified cases (including the payment of a distribution to our members prior to completion of the offering);
- sell assets, other than in certain specified cases;
- make material changes in our business or management;
- pay dividends, other than dividends paid solely in shares of our common stock, or make distributions on and, in certain cases, repurchase our stock; or
- consolidate or merge with other entities, other than the contemplated Reorganization.

In addition, the loan and security agreement provides that we satisfy certain financial covenants including minimum earnings and liquidity requirements. The operating and financial restrictions and covenants in the loan and security agreement, as well as any future financing agreements that we may enter into, may restrict our ability to finance our operations, engage in business activities or expand or fully pursue our business strategies. Our ability to comply with these covenants may be affected by events beyond our control, and we may not be able to meet those covenants. A breach of any of these covenants could result in a default under the loan and security agreement, which could cause all of the outstanding indebtedness under both facilities to become immediately due and payable and terminate all commitments to extend further credit.

If we are unable to generate sufficient cash available to repay our debt obligations when they become due and payable, either when they mature or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all, which may negatively affect our ability to continue as a going concern.

The loss of key personnel, an inability to attract and retain additional personnel or difficulties in the integration of new members of our management team into our company could affect our ability to successfully grow our business.

Our future success will depend upon our ability to identify, attract, retain and motivate highly skilled technical, managerial, product development, marketing, content operations and customer service employees. Competition for qualified personnel is intense in our industry. We cannot guarantee that we will be successful in our efforts to attract such personnel.

We are highly dependent on the continued service and performance of our senior management team, as well as key technical and marketing personnel. Our inability to find suitable replacements for any of the members of our senior management team and our key technical and marketing personnel, should they leave our employ, would adversely impair our ability to implement our business strategy and could have a material adverse effect on our business and results of operations. Several members of our senior management team joined us in 2010 and 2011. These individuals are currently becoming integrated with the rest of our team. We believe the successful integration of our management team is critical to managing our operations effectively and to supporting our growth.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork and focus that contribute crucially to our business.

We believe that a critical component of our success is our corporate culture, which we believe fosters innovation, encourages teamwork, cultivates creativity and promotes a focus on execution. We have invested substantial time, energy and resources in building a highly collaborative team that works together effectively in a non-hierarchical environment designed to promote openness, honesty, mutual respect and pursuit of common goals. As we develop the infrastructure of a public company and continue to grow, we may find it difficult to maintain these valuable aspects of our corporate culture. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue our corporate objectives.

If we do not successfully integrate past or potential future acquisitions, our business could be adversely impacted.

We have in the past pursued, and we may in the future pursue, acquisitions that are complementary to our existing business and that may expand our employee base and the breadth of our offerings. Future acquisitions or investments could result in potential dilutive issuances of equity securities, use of significant cash balances or the incurrence of debt, contingent liabilities or amortization expenses related to goodwill and other intangible assets, any of which could adversely affect our financial condition and results of operations. The benefits of an acquisition or investment may also take considerable time to develop, and we cannot be certain that any particular acquisition or investment will produce the intended benefits.

Integration of a new company's operations, assets and personnel into ours will require significant attention from our management. The diversion of our management's attention away from our business and any difficulties encountered in the integration process could harm our ability to manage our business. Future acquisitions will also expose us to potential risks, including risks associated with any acquired liabilities, the integration of new operations, technologies and personnel, unforeseen or hidden liabilities, information security vulnerabilities, the diversion of resources from our existing businesses, sites and technologies, the inability to generate sufficient revenue to offset the costs and expenses of acquisitions, and potential loss of, or harm to, our relationships with employees, customers, contributors and other suppliers as a result of integration of new businesses.

We may need to raise additional capital in the future and may be unable to do so on acceptable terms or at all.

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

We are subject to payments-related risks that may result in higher operating costs or the inability to process payments, either of which could harm our financial condition and results of operations.

We accept payments using a variety of methods, including credit cards and debit cards. As we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We rely on third parties to provide payment processing services, including the processing of credit cards and debit cards, and it could disrupt our business if these companies became unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers or facilitate other types of online payments.

We are also subject to or voluntarily comply with a number of other laws and regulations relating to money laundering, international money transfers, privacy and information security and electronic fund transfers. If we were found to be in violation of applicable laws or regulations, we could be subject to civil and criminal penalties or forced to cease our operations.

We are exposed to fluctuations in currency exchange rates, which could adversely affect our results.

Because we conduct a growing portion of our business outside of the United States but report our financial results in U.S. Dollars, we face exposure to adverse movements in currency exchange rates. Our foreign operations are exposed to foreign exchange rate fluctuations as the financial results are translated from the local currency into U.S. Dollars upon consolidation. If the U.S. Dollar weakens against foreign currencies, the translation of these foreign currency denominated transactions will result in increased revenue, operating expenses and net income. Similarly, if the U.S. Dollar strengthens against foreign currencies, the translation of these foreign currency denominated transaction will result in decreased revenue, operating expenses and net income. As exchange rates vary, sales and other operating results, when translated, may differ materially from expectations.

We have foreign currency risks related to foreign-currency denominated revenues. All amounts owed and paid to our foreign contributors are denominated and paid in U.S. Dollars. In general, we are a net receiver of currencies other than the U.S. Dollar. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. Dollar, will negatively affect our revenue and other operating results as expressed in U.S. Dollars.

Because we have determined our functional currency to be the U.S. Dollar, we have not experienced material fluctuations in our net income as a result of translation gains or losses. During 2009, 2010 and 2011, our foreign currency transaction gains and losses were immaterial. At this time we do not, but we may in the future, enter into derivatives or other financial instruments in order to hedge our foreign currency exchange risk. It is difficult to predict the impact hedging activities would have on our results of operations.

We depend on the continued growth of online commerce and the continued adoption of digital imagery. If these trends do not continue, our growth prospects and results of operations could be adversely impacted.

The business of selling goods and services over the internet is dynamic and relatively new. Concerns about fraud, privacy and other problems may discourage additional consumers from adopting the internet as a medium of commerce. In countries such as the U.S. and the United Kingdom, where our services and online commerce generally have been available for some time and the level of market penetration of our services is higher than in other countries, acquiring new customers may be more difficult and costly than it has been in the past. In order to expand our customer base, we may need to appeal to and acquire

customers who historically have used traditional means of commerce to purchase goods and services. If these target customers prove to be less active than our earlier customers our business could be adversely impacted.

In addition, our growth is highly dependent upon the continued demand for imagery. The commercial digital imagery market is rapidly evolving, characterized by changing technologies, intense price competition, introduction of new competitors, evolving industry standards, frequent new service announcements and changing consumer demands and behaviors. To the extent that demand for imagery does not continue to grow as expected, our revenue growth will suffer.

Our business depends on the development and maintenance of the internet infrastructure. If the internet infrastructure experiences outages or delays our business could be adversely impacted.

The success of our services will depend largely on the development and maintenance of the internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity and security, as well as the timely development of complementary products, for providing reliable internet access and services. The internet has experienced, and is likely to continue to experience, significant growth in the number of users and amount of traffic. The internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements or problems caused by viruses, worms, malware and similar programs may harm the performance of the internet. The backbone network of the internet has been the target of such programs. The internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of internet usage generally as well as the level of usage of our services, which could adversely impact our business.

Our business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man-made problems such as terrorism or computer viruses.

Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins or similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on our business, operating results and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. In addition, acts of terrorism could cause disruptions in our business or the economy as a whole. Our principal executive offices are located in New York City, a region that has experienced acts of terrorism in the past. Our servers may also be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential customer data. Although we have disaster recovery capabilities, there can be no assurance that we will not suffer from business interruption as a result of any such events. As we rely heavily on our servers, computer and communications systems and the internet to conduct our business and provide high quality service to our customers and contributors, such disruptions could negatively impact our ability to run our business, result in loss of existing or potential customers and contributors and increased maintenance costs, which would adversely affect our operating results and financial condition.

Risks Related to This Offering and Ownership of Our Common Stock

Our share price may be volatile and you may be unable to sell your shares at or above the initial public offering price.

The initial public offering price for our shares will be determined by negotiations between us and representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, both within and outside of our control, including, but not limited to, the following:

- changes in projected operational and financial results;
- issuance of new or updated research or reports by securities analysts;
- the use by investors or analysts of third-party data regarding our business that may not reflect our actual performance;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- fluctuations in the trading volume of our shares, or the size of our public float; and
- general economic and market conditions.

Furthermore, the stock market has experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, certain companies that have experienced volatility in the market price of their common stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

There has been no prior market for our common stock and an active trading market may not develop.

Prior to this offering, there has been no public market for our common stock. An active trading market may not develop following the closing of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares of common stock at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of your shares of common stock. An inactive market may also impair our ability to raise capital by selling shares of common stock and may impair our ability to acquire other companies or technologies by using our shares of common stock as consideration.

Future sales of our common stock in the public market could cause our share price to decline.

Sales of a substantial number of shares of our common stock in the public market following our initial public offering, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the number of shares outstanding as of September 25, 2012, we will have 32,838,281 shares of our common stock outstanding upon the closing of this offering (or 33,513,281 shares of our common stock if the underwriters exercise in full their over-allotment option).

All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any

shares held by our affiliates as defined in Rule 144 under the Securities Act. The remaining 28,338,281 shares of common stock outstanding after this offering, based on shares outstanding as of September 25, 2012, will be restricted as a result of securities laws, lock-up agreements or other contractual restrictions that restrict transfers for at least 180 days after the date of this prospectus, subject to certain extensions.

Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. may, at their discretion, release all or some portion of the shares subject to lock-up agreements prior to expiration of the lock-up period.

After this offering, the holders of 28,338,281 shares of common stock will be entitled to rights with respect to registration of these shares under the Securities Act pursuant to an investors' rights agreement. We also intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of common stock subject to outstanding VAR grants, as well as options and shares reserved for future issuance, under our 2012 Omnibus Equity Incentive Plan and our 2012 Employee Stock Purchase Plan. Once we register these shares, they can be freely sold in the public market upon issuance and vesting, subject to the lock-up agreements described in the section of this prospectus captioned "Underwriting" and contained in the terms of such plans, or unless they are held by "affiliates," as that term is defined in Rule 144 of the Securities Act.

We may also issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investment or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Jonathan Oringer, our founder, and other significant investors will control approximately 56.6% of our outstanding shares of common stock after this offering, and this concentration of ownership may have an effect on transactions that are otherwise favorable to our shareholders.

Upon completion of this offering, Jonathan Oringer, our founder and largest stockholder, will beneficially own approximately 56.6% of our outstanding shares of common stock, or approximately 55.5% if the underwriters exercise their overallotment option in full. In addition, certain funds affiliated with Insight Venture Partners, or Insight, will beneficially own approximately 21.3% of our outstanding shares of common stock, or approximately 20.8% if the underwriters exercise their overallotment option in full. As a result, Mr. Oringer and Insight will collectively control the outcome of matters submitted to our stockholders for approval, including the election of directors. This concentration of ownership may also delay, deter or prevent a change in control, and may make some transactions more difficult or impossible to complete without the support of these shareholders, regardless of the impact of this transaction on our other shareholders.

We will incur increased costs and our management will face increased demands as a result of operating as a public company.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, our administrative staff will be required to perform additional tasks. For example, in anticipation of becoming a public company, we will need to adopt additional internal controls and disclosure controls and procedures and bear all of the internal and external costs of preparing and distributing periodic public reports in compliance with our obligations under applicable securities laws.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act, the Dodd-Frank Act and related regulations implemented by the Securities and Exchange Commission, or the SEC, and the stock exchanges are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. We are currently evaluating and monitoring developments with respect to new and proposed rules and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new

guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and attract and retain qualified executive officers.

The increased costs associated with operating as a public company may decrease our net income or increase our net loss, and may cause us to reduce costs in other areas of our business or increase the prices of our products or services to offset the effect of such increased costs. Additionally, if these requirements divert our management's attention from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations.

The recently enacted JOBS Act will allow us to postpone the date by which we must comply with certain laws and regulations and to reduce the amount of information provided in reports filed with the SEC. We cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are and we will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year during which our total annual revenues equal or exceed $1 billion (subject to adjustment for inflation), (ii) the last day of the fiscal year following the fifth anniversary of our initial public offering, (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, or (iv) the date on which we are deemed a "large accelerated filer" under the Securities and Exchange Act of 1934, as amended, or the Exchange Act. For so long as we remain an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on some or all of these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. If we avail ourselves of certain exemptions from various reporting requirements, our reduced disclosure may make it more difficult for investors and securities analysts to evaluate us and may result in less investor confidence.

If we fail to maintain an effective system of internal controls, we may not be able to report our financial results accurately or in a timely fashion, and we may not be able to prevent fraud; in such case, our stockholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our stock.

Effective internal controls are necessary for us to provide reliable, timely financial reports and prevent fraud. In addition, Section 404 of the Sarbanes-Oxley Act of 2002 will require us to evaluate and report on our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ending December 31, 2013. The process of implementing our internal controls and complying with

Section 404 will be expensive and time-consuming, and will require significant attention of management. We cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until we are no longer an "emerging growth company," as described above. At such time that an attestation is required, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in the future.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our amended and restated certificate of incorporation and bylaws to be effective upon the closing of this offering will contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our board of directors. Our corporate governance documents will include provisions that:

- authorize blank check preferred stock, which could be issued with voting, liquidation, dividend and other rights superior to our common stock;
- limit the liability of, and provide indemnification to, our directors and officers;
- limit the ability of our stockholders to call and bring business before special meetings and to take action by written consent in lieu of a meeting;
- require advance notice of stockholder proposals and the nomination of candidates for election to our board of directors;
- establish a classified board of directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following their election;
- require that directors only be removed from office for cause; and
- limit the determination of the number of directors on our board and the filling of vacancies or newly created seats on the board to our board of directors then in office.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without the prior approval of our board of directors or the holders of substantially all of our outstanding common stock.

These provisions of our charter documents and Delaware law, alone or together, could delay or deter hostile takeovers and changes in control or changes in our management. Any provision of our amended and restated certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock. Even in the absence of a takeover attempt, the existence of these

provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate and substantial dilution of your investment. Based upon the issuance and sale of 4,500,000 shares of common stock by us at an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus), you will incur immediate dilution of approximately $13.29 in the pro forma net tangible book value per share if you purchase shares of our common stock in this offering. For a further description of the dilution that you will experience immediately after this offering, see the section captioned "Dilution." Furthermore, investors purchasing shares of our common stock in this offering will only own approximately 13.7% of our outstanding shares of common stock, after completion of this offering, even though their aggregate investment will represent 100.0% of the total consideration received by us in connection with all initial sales of 28,379,000 shares of our capital stock outstanding as of June 30, 2012, after giving effect to the issuance of shares of our common stock in this offering. To the extent outstanding options to purchase our common stock are exercised, investors purchasing our common stock in this offering will experience further dilution.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that increase the value of your investment.

Our management will have broad discretion over the use of the net proceeds from this offering and you will be relying on their judgment in applying these proceeds. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. We expect to use the net proceeds from this offering for general corporate purposes, including working capital and capital expenditures, which may in the future include investments in, or acquisitions of, complementary businesses, services or technologies. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds. You will not have the opportunity to influence our decisions on how to use our net proceeds from this offering.

After the completion of this offering, we do not expect to declare any dividends in the foreseeable future.

After the completion of this offering, we do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- our ability to identify, attract and retain customers and contributors to our online marketplace;
- our ability to maintain repeat purchase and subscription revenue;
- our new and rapidly changing market;
- the competitive nature of and anticipated growth in our markets;
- our ability to maintain our competitive position in a highly competitive industry;
- our ability to protect our intellectual property and protect against infringement claims made by third parties;
- our ability to increase our brand awareness within the industry;
- our ability to effectively manage our rapid growth in recent periods;
- our ability to generate a larger percentage of our revenue from larger companies and satisfy related demands;
- our ability to successfully navigate the risks related to our international operations and expansion;
- the degree to which our operations expose us to greater than anticipated tax liabilities;
- our ability to respond to technological changes or upgrade our websites and technological systems;
- the attraction and retention of qualified employees and key personnel;
- fluctuations in our annual and quarterly results of operations;
- the impact of and our ability to successfully integrate past and future business acquisitions;
- our ability to remedy the material weakness in our internal control over financial reporting relating to compliance with certain tax regulations; and
- other risk factors included under "Risk Factors" in this prospectus.

In addition, in this prospectus, the words "believe," "may," "estimate," "continue," "anticipate," "intend," "expect," "predict," "potential" and similar expressions, as they relate to our company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Forward-looking statements speak only as of the date of this prospectus. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made that are based on those data and other similar sources and on our knowledge of the markets for our products. These sources include industry publications, reports, surveys and forecasts prepared by IDC, BIA/Kelsey, Cisco, IBISWorld, Netcraft, comScore and MagnaGlobal, as well as a report commissioned by us and prepared by L.E.K. Consulting LLC. These data from such sources involve a number of assumptions and limitations, and contain projections and estimates based on various assumptions of the future performance of the industry in which we operate, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this prospectus to be generally reliable, such information is inherently imprecise and we cannot give you any assurance that any of the projected results will be achieved. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties set forth above and by us.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $54.2 million from the sale of our shares of common stock in this offering, or approximately $63.0 million if the underwriters exercise their option to purchase additional shares of common stock to cover over-allotments in full, based on an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus) and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, improve our visibility in the marketplace and create a public market for our common stock. We currently intend to use the net proceeds from this offering primarily for general corporate purposes, including working capital and capital expenditures. We anticipate capital expenditures of approximately $3 million for the second half of 2012 relating to the acquisition of additional servers and network connectivity hardware and software and other costs associated with scaling our operations, technology and infrastructure to support our growth.

We may also use a portion of the net proceeds to repay all or a portion of the term loan facility that we entered into on September 21, 2012 to fund our working capital needs following the final cash distribution to the members of Shutterstock Images LLC prior to our Reorganization. See "Reorganization." We have outstanding borrowings of $12.0 million under the term loan facility and expect to have outstanding borrowings of $12.0 million under the term loan facility as of the effective date of the registration statement of which this prospectus is a part. The term loan facility provides for interest on the term loan, at our option, at the prime rate as published in the Wall Street Journal minus 0.75%, or a LIBOR-based rate plus a margin of 2.00% and matures on the earlier of (i) September 21, 2013 and (ii) the date on which such facility is accelerated following the occurrence of an event of default. We selected the one-month LIBOR-based rate and can select a new interest rate option after the month expires.

In addition, we may use a portion of the net proceeds to acquire or invest in complementary companies, products or technologies, although we currently do not have any acquisitions or investments planned. Based on our historical cash from operations, as well as borrowings under our term loan facility, we do not expect that we will have to utilize any of the net proceeds to us from this offering to fund our operations during the next 12 months. Therefore, we will have broad discretion over the uses of the net proceeds received in this offering. Pending such uses, we intend to invest the net proceeds from this offering in interest-bearing, investment grade securities.

DIVIDEND POLICY

We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our board of directors, based upon on our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

Historically, we have made monthly cash distributions to members of Shutterstock Images LLC with respect to their membership interests. For the years ended December 31, 2009, 2010 and 2011, and the six months ended June 30, 2011 and 2012, distributions to the members of Shutterstock Images LLC were $20.5 million, $25.9 million, $28.6 million, $19.5 million and $15.2 million, respectively. Additionally, since July 1, 2012, we have distributed $5.7 million to the members of Shutterstock Images LLC. Furthermore, the LLC will make a final cash distribution to its members in the aggregate amount of $11.8 million immediately prior to our Reorganization. See "Reorganization."

REORGANIZATION

Shutterstock Images LLC was originally formed as a New York limited liability company in 2007. Prior to the effectiveness of the registration statement of which this prospectus is a part, we will reorganize from Shutterstock Images LLC, a New York limited liability company, or the LLC, to Shutterstock, Inc., a Delaware corporation, by way of a merger of the LLC with and into Shutterstock, Inc., which prior to the Reorganization was a wholly-owned subsidiary of the LLC. In this "Reorganization":

- the membership interests in the LLC, including any interests that will vest upon the Reorganization, will be exchanged for shares of our common stock; and

- the value appreciation rights, or VARs, of the LLC granted and outstanding will be exchanged for options to purchase shares of our common stock pursuant to our 2012 Omnibus Equity Incentive Plan with substantially similar exercise prices and vesting terms as the exchanged VARs.

See "Description of Capital Stock" for additional information regarding the terms of our common stock following the Reorganization and the terms of our certificate of incorporation and bylaws as will be in effect upon closing of this offering. Concurrently with the consummation of the Reorganization, the operating agreement of the LLC will be terminated. After the Reorganization, Shutterstock, Inc., which is the issuer of the shares of common stock offered by this prospectus, will be the parent company of all of our subsidiaries, and will own the assets and conduct the business described in this prospectus.

As part of the Reorganization, two entities affiliated with Insight Venture Partners that currently own membership interests in the LLC, or the Insight Entities, will merge with and into Shutterstock, Inc. In this merger, the shareholders of the Insight Entities will receive shares of common stock of Shutterstock, Inc. In the merger agreement, the companies that will be merged into us will represent and warrant that they do not have any liabilities that will be assumed by us in the mergers. The merger agreement pursuant to which the Insight Entities will merge with and into Shutterstock, Inc. will also provide for certain customary representations and warranties.

Pursuant to the operating agreement, the LLC has historically made monthly cash distributions to its members, including those affiliated with our directors, executive officers or beneficial holders of more than 5% of our capital stock. The members of the LLC affiliated with Jonathan Oringer, Insight Venture Partners and Adam Riggs received aggregate distributions of $49.9 million, $18.7 million and $6.4 million, respectively, for the three years ended December 31, 2011. From January 1, 2012 through the date of this prospectus, such members of the LLC have received aggregate distributions of $13.8 million, $5.2 million and $1.8 million, respectively.

Immediately prior to the Reorganization, the LLC will make a final distribution of cash generated from operations and any cash and cash equivalents on hand, in each case at the time of the distribution, to each of its members. The members of the LLC affiliated with Jonathan Oringer, Insight Venture Partners and Adam Riggs will receive a final cash distribution of $7.8 million, $3.0 million and $1.0 million, respectively, which constitutes approximately all remaining cash and cash equivalents of the LLC at the time of the distribution. Following the Reorganization, no further distributions to members will be made.

CAPITALIZATION

The following table summarizes our cash and cash equivalents, and capitalization as of June 30, 2012:

- on an actual basis;
- on a pro forma basis to give effect to our reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization":

  (i) the reclassification of the balances of all common and preferred members' interests to common stock;

  (ii) the reclassification of an executive officer's profits interest award from other non-current liabilities to common stock;

  (iii) the recognition of deferred tax assets and liabilities at an assumed combined federal, state and city income tax rate of 39.4%;

  (iv) the recognition of the term loan facility entered into on September 21, 2012;

  (v) the distributions to be made to members prior to the Reorganization;

  (vi) a balance sheet adjustment associated with the vesting of equity awards; and

- on a pro forma as adjusted basis to give effect to this offering, including:

  (i) the sale of 4,500,000 shares of common stock by us in this offering at an assumed initial public offering price of $14.00 per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering;

  (ii) a balance sheet adjustment associated with the accelerated vesting of 50% of the unvested profits interest award; and

  (iii) the reclassification of deferred offering costs of $2.6 million to additional paid-in capital in connection with this offering.

You should read this table in conjunction with "Unaudited Pro Forma Consolidated Financial Statements," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of

Financial Condition and Results of Operations," and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2012		
	Actual	Pro forma (unaudited) (in thousands)	Pro forma as adjusted (unaudited)
Cash and cash equivalents	$ 15,042	$ 9,592	$ 54,349
Redeemable preferred members' interest	29,937	—	—
Members' deficit and Stockholders' equity:			
Common members' interest	5,699	—	—
Common stock, $0.01 par value; no shares authorized, issued and outstanding, actual; 30,000,000 shares authorized, 28,379,000 issued and outstanding, pro forma; 200,000,000 shares authorized, 32,879,000 shares issued and outstanding, pro forma as adjusted	—	284	330
Preferred stock, $0.01 par value; no shares authorized, issued and outstanding, actual or pro forma; and 5,000,000 shares authorized, no shares issued and outstanding, pro forma as adjusted	—	—	—
Additional paid-in capital (deficit)	—	(25,727)	29,630
Retained earnings (deficit)	—	(3,072)	(4,285)
Accumulated deficit	(65,208)	—	—
Total members' deficit	(59,509)	—	—
Total stockholders' equity	—	(28,515)	25,675
Total capitalization	$ (29,572)	$ (28,515)	$ 25,675

The number of shares shown as issued and outstanding in the table above gives effect to our Reorganization, which will occur prior to the effectiveness of the registration statement of which this prospectus is a part, as described under "Reorganization," and this offering and excludes:

- 1,621,000 shares of our common stock issuable upon the exercise of value appreciation rights outstanding as of June 30, 2012 at a weighted average exercise price of $15.65 per share, which value appreciation rights will be exchanged for options to purchase shares of our common stock as discussed under "Reorganization";
- 6,750,000 shares of our common stock reserved for future grant or issuance under our 2012 Omnibus Equity Incentive Plan, which will become effective on or prior to the completion of this offering a portion of which will be used to grant stock options in replacement of the value appreciation rights outstanding as of the Reorganization; and
- 2,000,000 shares of our common stock reserved for future issuance under our 2012 Employee Stock Purchase Plan, which will become effective upon the completion of this offering.

DILUTION

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

As of June 30, 2012, our pro forma net tangible book value deficit was approximately $(31.0) million or $(1.10) per share of common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities divided by the total number of shares of common stock outstanding as of June 30, 2012, after giving effect to our reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization." Dilution is determined by subtracting net tangible book value per share from the assumed initial public offering price per share. After giving effect to the sale of 4,500,000 shares of common stock offered by us at an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus), and the adjustments set forth above, our pro forma as adjusted net tangible book value as of June 30, 2012 would have been $23.2 million or $0.71 per share of common stock. This represents an immediate increase in net tangible book value of $1.81 per share to existing stockholders and an immediate dilution of $13.29 per share to new investors purchasing common stock in this offering. The following table illustrates this per share dilution on a per share basis to new investors:

Assumed initial public offering price per share		$ 14.00
Pro forma net tangible book value deficit per share as of June 30, 2012	$ (1.10)	
Increase attributable to new investors as a result of this offering	1.81	
Pro forma as adjusted net tangible book value after this offering		0.71
Dilution per share to new investors		$ 13.29

A $1.00 increase or decrease in the assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus) would increase or decrease our pro forma as adjusted net tangible book value by approximately $4.5 million, or $0.14 per share of common stock, and the pro forma as adjusted dilution per share to new investors in this offering by approximately $0.85, assuming no change to the number of shares of common stock offered by us as set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses.

The following table summarizes on a pro forma as adjusted basis, as of June 30, 2012, the differences between the existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid. The number of shares purchased from us by existing stockholders, and the per share calculations derived from such number of shares, in this "Dilution" section are based on our common stock outstanding as of June 30, 2012, after giving effect to our Reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization." The calculation below is based on an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus), before deducting the estimated underwriting discounts and commissions and estimated offering expenses.

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders	28,379,000	86.3%	$ —	0.0%	$ 0.00
New investors	4,500,000	13.7	63,000,000	100.0	14.00
Totals	32,879,000	100.0%	$ 63,000,000	100.0%	

A $1.00 increase or decrease in the assumed initial public offering price of $14.00 per share would increase or decrease the total consideration paid by new investors by $4.5 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same.

If the underwriters' over-allotment option is exercised in full, the number of shares held by the existing stockholders after this offering would be 28,379,000, or 84.6% of the total number of shares of our common stock outstanding after this offering, and the number of shares held by new investors would be 5,175,000, or 15.4% of the total number of shares of our common stock outstanding after this offering.

UNAUDITED PRO FORMA AND PRO FORMA AS ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

The following are the unaudited pro forma and pro forma as adjusted consolidated financial statements of Shutterstock Images LLC. The unaudited pro forma consolidated statements of operations information for the year ended December 31, 2011 and for the six months ended June 30, 2012 was prepared as if the transactions described under "Reorganization" and this offering had taken place on January 1, 2011. The unaudited pro forma and pro forma as adjusted consolidated balance sheet information as of June 30, 2012 was prepared as if the Reorganization and this offering had taken place on June 30, 2012. See "Reorganization."

Prior to the Reorganization, we were organized as a limited liability company. As a limited liability company, we were not subject to U.S. federal or state income taxes and our earnings did not reflect the taxes we will pay as a corporation. In order to reflect our operating expenses, and our tax and capital structure as if we were organized as a corporation, the unaudited pro forma consolidated financial statements give effect to our corporate reorganization and related transactions as described in "Reorganization," including:

- the reclassification of the balances of all common and preferred members' interests to common stock;
- the reclassification of an executive officer's profits interest award from other non-current liabilities to common stock;
- the exchange of our VAR grants into options to purchase shares of our common stock;
- the recognition of deferred tax assets and liabilities at an assumed combined federal, state and city income tax rate of 39.4%;
- the recognition of the term loan facility entered into on September 21, 2012;
- the distributions to be made to members prior to the Reorganization;
- the balance sheet adjustments associated with the vesting of equity awards; and
- a provision for income taxes as a corporation at an assumed combined federal, state and city income tax rate of 39.4% of our pre-tax net income for the year ended December 31, 2011 and for the six months ended June 30, 2012. The actual combined tax rate will depend on many factors and may be higher or lower than this assumed rate.

The adjustments to the pro forma as adjusted statements of operations data and the pro forma as adjusted balance sheet data give effect to our pro forma adjustments as described above for the Reorganization and the effect of this offering based on an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), including:

- the sale of shares of common stock by us in this offering at an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering;
- a balance sheet adjustment associated with the accelerated vesting of 50% of the unvested portion of a profits interest award granted to an executive officer; and
- the reclassification of deferred offering costs of $2.6 million to additional paid-in capital in connection with this offering.

The pro forma as adjusted balance sheet data gives effect to the net assumed proceeds of $54.2 million in this offering while the pro forma as adjusted net income per share calculation includes 1,433,571

incremental shares necessary to pay the distributions in excess of earnings for the previous twelve months, and 857,143 incremental shares necessary to repay the term loan facility we entered into on September 21, 2012. The remaining 2,209,286 shares issued in this offering are excluded from the pro forma as adjusted net income per share calculation since the proceeds will be used for general corporate and working capital purposes.

The pro forma and pro forma as adjusted adjustments above are based upon available information and certain assumptions that management believes are reasonable, factually supportable, directly attributable to either the Reorganization or this offering, and, in connection with pro forma and pro forma as adjusted adjustments related to the statement of operations, expected to have a continuing impact on our results of operations. Adjustments that are based on fair value of the shares are calculated using the assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus).

We believe that the pro forma and pro forma as adjusted consolidated financial statements provide a helpful perspective to better understand our results of operations and our financial position. The unaudited pro forma and pro forma as adjusted consolidated financial statements and accompanying notes should be read together with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

The unaudited pro forma and pro forma as adjusted consolidated financial statements presented are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma and pro forma as adjusted consolidated financial statements do not purport to represent what our results of operations or financial position would have been had the Reorganization or this offering actually occurred on the date or as of the date specified, nor do they purport to project our results of operations for any future period.

SHUTTERSTOCK IMAGES LLC
UNAUDITED PRO FORMA AND PRO FORMA AS ADJUSTED CONSOLIDATED BALANCE SHEET
As of June 30, 2012
(in thousands, except share and per share data)

	Actual	Pro forma adjustments for the Reorganization	Pro forma before Offering adjustments	Pro forma adjustments for the Offering	Pro forma as adjusted
ASSETS					
Current assets:					
Cash and cash equivalents	$ 15,042	(17,450)(f) $ 12,000(k)	$ 9,592	56,757(g) $ (12,000)(l)	$ 54,349
Credit card receivables	1,488		1,488		1,488
Accounts receivable, net	823		823		823
Prepaid expenses and other current assets	3,592		3,592	(2,567)(g)	1,025
Deferred tax assets	756	14,731(e)	15,487		15,487
Due from related party	—		—		—
Total current assets	21,701		30,982		73,172
Property and equipment, net	5,479		5,479		5,479
Intangible assets, net	1,098		1,098		1,098
Goodwill	1,423		1,423		1,423
Deferred tax assets	101	(101)(e)	—		—
Other assets	427		427		427
Total assets	$ 30,229		$ 39,409		$ 81,599
LIABILITIES, REDEEMABLE PREFERRED MEMBERS' INTEREST, MEMBERS' DEFICIT AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 2,624		$ 2,624		$ 2,624
Accrued expenses	12,472		12,472		12,472
Contributor royalties payable	6,321		6,321		6,321
Income taxes payable	—		—		—
Deferred revenue	33,626		33,626		33,626
Term loan facility	—	$ 12,000(k)	12,000	$ (12,000)(l)	—
Other liabilities	90		90		90
Total current liabilities	55,133		67,133		55,133
Deferred tax liabilities, net	—	600(e)	600		600
Other non-current liabilities	4,668	(4,477)(b)	191		191
Total liabilities	59,801		67,924		55,924
Commitment and contingencies					
Redeemable preferred members' interest	29,937	(29,937)(a)	—		—
Members' deficit:					
Common members' interest	5,699	(5,699)(a)	—		—
Accumulated deficit	(65,208)	65,208(a)	—		—
Total members' deficit	(59,509)		—		—
Stockholders' equity:					
Common stock	—	281(a) 3(b)	284	45(g) 1(j)	330
Additional paid-in capital	—	(29,853)(a) 1,788(b) 509(c) 1,829(d)	(25,727)	54,145(g) 1,212(j)	29,630
Retained earnings (deficit)	—	2,686(b) (509)(c) (1,829)(d) 14,030(e) (17,450)(f)	(3,072)	(1,213)(j)	(4,285)
Total stockholders' equity	—		(28,515)		25,675
Total liabilities, redeemable preferred members' interest, members' deficit and stockholders' equity	$ 30,229	—	$ 39,409	—	$ 81,599

See Notes to Unaudited Pro Forma and Pro Forma As Adjusted Consolidated Financial Statements.

SHUTTERSTOCK IMAGES LLC
UNAUDITED PRO FORMA AND PRO FORMA AS ADJUSTED CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2011
(in thousands, except share and per share data)

	Actual	Pro forma adjustments for the Reorganization	Pro forma before Offering adjustments	Pro forma adjustments for the Offering	Pro forma as adjusted
Revenue	$ 120,271		$ 120,271		$ 120,271
Operating expenses:					
Cost of revenue	45,504		45,504		45,504
Sales and marketing	31,929		31,929		31,929
Research and development	9,777		9,777		9,777
General and administrative	10,171	780(h) $ (1,790)(i)	9,161		9,161
Total operating expenses	97,381		96,371		96,371
Income from operations	22,890		23,900		23,900
Interest income	10		10		10
Income before income taxes	22,900		23,910		23,910
Provision for income taxes	1,036	8,969(m)	10,005		10,005
Net income	$ 21,864		$ 13,905		$ 13,905
Pro forma as adjusted net income per share of common stock(n):					
Basic					$ 0.46
Diluted					$ 0.46
Weighted average shares outstanding used to compute pro forma as adjusted net income per share of common stock:					
Basic					30,480,415
Diluted					30,480,415

See Notes to Unaudited Pro Forma and Pro Forma As Adjusted Consolidated Financial Statements.

SHUTTERSTOCK IMAGES LLC
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the six months ended June 30, 2012
(in thousands, except share and per share data)

	Actual	Pro forma adjustments for the Reorganization	Pro forma before Offering adjustments	Pro forma adjustments for the Offering	Pro forma as adjusted
Revenue	$ 78,199		$ 78,199		$ 78,199
Operating expenses:					
Cost of revenue	30,103		30,103		30,103
Sales and marketing	23,127		23,127		23,127
Research and development	7,070		7,070		7,070
General and administrative	7,895	1,048(h) $ (1,992)(i)	6,951		6,951
Total operating expenses	68,195		67,251		67,251
Income from operations	10,004		10,948		10,948
Interest income	5		5		5
Income before income taxes	10,009		10,953		10,953
Provision for income taxes	227	4,435(m)	4,662		4,662
Net income	$ 9,782		$ 6,291		$ 6,291
Pro forma as adjusted net income per share of common stock(n):					
Basic					$ 0.21
Diluted					$ 0.21
Weighted average shares outstanding used to compute pro forma as adjusted net income per share of common stock:					
Basic					30,497,718
Diluted					30,523,483

See Notes to Unaudited Pro Forma and Pro Forma As Adjusted Consolidated Financial Statements.

(a) Represents the reclassification of the balances of all common members' in the amount of $5,699 and preferred members' interests in the amount of $29,937 to common stock in the amount of $281 and additional paid-in capital in the amount of $29,853 upon the Reorganization from a New York limited liability company to a Delaware corporation and recognition of a difference of $67,810 between the book value of the redeemable preferred interests in the amount of $29,937 and the fair value of shares issued in the amount of $97,747 as an adjustment to additional paid-in capital in connection with the Reorganization. The additional paid-in capital net adjustment of $29,853 consists of the following:

Decrease for accumulated deficit reclassification	$ (65,208)
Decrease for recognition of redeemable preferred interest	(67,810)
Increase for common members' interest reclassification	5,699
Increase for recognition of shares issued at $14 per share to settle redeemable preferred interest	97,747
Decrease for recognition of common shares at par value	(281)
	$ (29,853)

(b) Represents the reclassification of an executive officer's profits interest award classified as a liability from other non-current liabilities in the amount of $4,477 to common stock in the amount of $3 and additional paid-in capital in the amount of $1,788 and recognition of the difference of $2,686 between the carrying value of the liability and the fair value of the stock issued as an adjustment to retained earnings (deficit) as a result of the exchange of this membership interest in the LLC for shares of the Company's stock in connection with the Reorganization. See Note 12 to our Consolidated Financial Statements included elsewhere in this prospectus.

(c) Represents a balance sheet adjustment in the amount of $509 to retained earnings (deficit) and additional paid-in capital related to the vesting of an equity award granted to one of our key employees based on the grant date fair value as a result of the exchange of this membership interest in the LLC for shares of the Company's stock in connection with the Reorganization. See Note 11 to our Consolidated Financial Statements included elsewhere in this prospectus.

(d) Represents a balance sheet adjustment in the amount of $1,829 to retained earnings (deficit) and additional paid-in capital related to the time-based vesting of grants under our VAR Plan that convert, pursuant to the Reorganization, into options to purchase shares of our common stock that are no longer subject to the change of control condition and vest going forward based on a service condition only, based on the grant date fair value of these awards. See Note 10 to our Consolidated Financial Statements included elsewhere in this prospectus for further description of the VAR Plan.

(e) We will reorganize from a limited liability company to a Delaware C-corporation prior to the effectiveness of the registration statement of which this prospectus is a part. Prior to the Reorganization, the LLC was treated as a partnership and paid only city unincorporated business income tax. As a corporation, we will be responsible for the payment of all federal and state corporate income taxes in addition to city income tax. As a result, we recorded a net adjustment of $14,030 to retained earnings (deficit) in connection with current deferred tax assets of $15,487 and net long-term deferred tax liabilities of $600 based on an assumed combined federal, state and city income tax rate of 39.4% in connection with the Reorganization.

(f) Represents a balance sheet adjustment of $17,450 to retained earnings (deficit) and cash and cash equivalents to reflect distributions declared and paid after June 30, 2012 and prior to the Reorganization.

(g) Represents the sale of 4,500,000 shares of our common stock by us in this offering at an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions in the amount of $4,410 and estimated offering expenses in the amount of $4,400 in connection with this offering of which $2,567 has been paid prior to June 30, 2012 and is reflected as a reclassification of deferred offering costs from working capital and total assets to additional paid-in capital.

(h) In the periods subsequent to the Reorganization, we will begin to incur compensation expense related to the vesting of grants made under our VAR Plan. The recurring compensation expense associated with the VAR Plan is $780 and $1,048 for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively. See Note 10 to our Consolidated Financial Statements included elsewhere in this prospectus.

(i) Represents a recurring adjustment to the historical compensation expense of $1,790 and $1,992 for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively, associated with the vesting of the remaining equity award granted to an executive officer as a result of the modification of the original liability classified profits interest award in connection with the Reorganization based on the modification date fair value. See Note 12 to our Consolidated Financial Statements included elsewhere in this prospectus.

(j) Represents an adjustment in the amount of $1,213 to retained earnings (deficit) and additional paid-in capital related to the accelerated vesting of 50% of the unvested portion of a profits interest award granted to an executive officer and the related issuance of shares of the Company's common stock in connection with this offering based on the modification date fair value. See Note 12 to our Consolidated Financial Statements included elsewhere in this prospectus.

(k) Represents a balance sheet adjustment in the amount of $12,000 to increase cash and cash equivalents and term loan facility to reflect the term loan facility entered into on September 21, 2012. Because the reorganization and the offering are assumed to have occurred at the same time for the purpose of the pro forma income statement, no interest expense is recognized, as the term loan facility is deemed to be repaid from the offering proceeds.

(l) Represents a balance sheet adjustment in the amount of $12,000 to decrease term loan facility and cash and cash equivalents to reflect the repayment of the term loan facility from offering proceeds. Because the reorganization and the offering are assumed to have occurred at the same time for the purpose of the pro forma income statement, no interest expense is recognized, as the term loan facility is deemed to be repaid from the offering proceeds.

(m) Represents the following in connection with our Reorganization: (i) the tax effect of our reorganization from a limited liability company to a Delaware C-corporation, which will result in an incremental provision for income taxes as a corporation at an assumed combined federal, state and city income tax rate of 39.4% for the year ended December 31, 2011 and for the six months ended June 30, 2012; and (ii) the tax effect of the pro forma adjustments described above on the statement of operations.

(n) For the purposes of the pro forma as adjusted basic net income per share of common stock calculations, we have assumed that the Reorganization and this offering took place as of January 1, 2011.

Pro forma as adjusted basic net income per share of common stock is computed by dividing net income available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Pro forma as adjusted diluted net income per share of common stock is computed by dividing net income available to common stockholders by the sum of the weighted average shares of common stock outstanding plus dilutive shares of common stock for the period. Pro forma as adjusted basic and diluted shares of common stock also include an incremental number of shares representing the share equivalent of the dollar amount of the distributions declared and paid from July 1, 2011 through the date of the Reorganization, to the extent such distributions are in excess of earnings for the previous twelve months.

The basic and diluted pro forma as adjusted per share of common stock calculations are presented below (in thousands, except share and per share data). The diluted pro forma as adjusted per share of common stock calculation also assumes the conversion, exercise or issuance of all potential shares of common stock, unless the effect of inclusion would be anti-dilutive.

	Year Ended December 31, 2011	Six Months Ended June 30, 2012
Basic and Diluted pro forma as adjusted net income per share of common stock		
Numerator:		
Net income	$ 13,905	$ 6,291
Denominator:		
Weighted average shares of common stock outstanding—basic before addition for incremental shares related to the distributions and term loan facility	28,189,701	28,207,004
Add: Incremental shares representing the share equivalent of the dollar amount of distributions that exceeded earnings for the previous twelve months	1,433,571	1,433,571
Add: Incremental shares representing the share equivalent of the dollar amount of proceeds used to repay the term loan facility	857,143	857,143
Weighted average shares of common stock outstanding—basic	30,480,415	30,497,718
Add: Additional shares arising from the assumed exercise of options and issuance of potentially dilutive unvested restricted shares of common stock	—	25,765
Weighted average shares of common stock outstanding—diluted	30,480,415	30,523,483
Pro forma as adjusted net income per share of common stock—basic	$ 0.46	$ 0.21
Pro forma as adjusted net income per share of common stock—diluted	$ 0.46	$ 0.21

The pro forma as adjusted basic net income per share of common stock reflects (i) 28,025,855 shares of common stock resulting from the reclassification of all common and preferred members' interests to shares of common stock, (ii) 34,050 shares of common stock upon the reclassification of the vested portion of the executive officer's profits interest award in connection with the Reorganization, the issuance of 121,128 shares of common stock resulting from the accelerated vesting of 50% of the unvested profits interest award in connection with this offering and the issuance of 23,071 shares and

10,062 shares for the year ended December 31, 2011 and the six months ended June 30, 2012, respectively, of common stock resulting from the vesting of restricted equity awards post-Reorganization, (iii) the issuance of 112,240 shares of common stock resulting from the vesting of equity awards to one of our key employees in connection with the Reorganization, (iv) 1,433,571 additional shares of common stock, which represents the share equivalent of the dollar amount of the distributions declared and paid from July 1, 2011 through the date of the Reorganization, to the extent such distributions are in excess of earnings for the previous twelve months and (v) 857,143 additional shares of common stock, which represents the share equivalent of the dollar amount of the proceeds necessary to repay the term loan facility we entered into on September 21, 2012. The pro forma as adjusted diluted net income per share of common stock reflects the dilution caused by the assumed exercise of stock options related to the VAR Plan and the issuance of potentially dilutive unvested restricted shares of common stock related to equity grants resulting from the modification of the profits interest award granted to an executive officer. The pro forma as adjusted basic and diluted income per share of common stock reflects assumed additional shares of 2,290,714 issued in the offering and described in subsections (iv) and (v). The remaining 2,209,286 shares issued in this offering are excluded from the pro forma as adjusted net income per share calculations since the proceeds will be used for general corporate and working capital purposes.

The pro forma as adjusted weighted average shares of common stock outstanding-basic before additions for incremental shares related to the distributions and the term loan facility for the year ended December 31, 2011 includes 28,181,033 shares outstanding at January 1, 2011, which represents the sum of subsections (i) and (ii) above. The shares issued throughout the year relate to the vesting of the restricted stock and totaled 8,668 on a weighted average basis. As a result, the weighted average shares of common stock outstanding-basic before additions for incremental shares related to the distributions and the term loan facility for the year ended December 31, 2011 is 28,189,701.

The pro forma as adjusted weighted average shares of common stock outstanding-basic before additions for incremental shares related to the distributions and the term loan facility for the six months ended June 30, 2012 includes 28,204,104 shares outstanding at January 1, 2012, which represents the sum of subsections (i) and (ii) above. The shares issued throughout the six month period relate to the vesting of the restricted stock and totaled 2,900 on a weighted average basis. As a result, the weighted average shares of common stock outstanding-basic before additions for incremental shares related to the distributions and the term loan facility for the six months ended June 30, 2012 is 28,207,004.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected consolidated financial and other data. We derived the selected consolidated statement of operations data for the years ended December 31, 2009, 2010 and 2011 and the selected consolidated balance sheet data as of December 31, 2010 and 2011, from our audited consolidated financial statements that are included elsewhere in this prospectus. We derived the selected consolidated statement of operations data for the six months ended June 30, 2011 and 2012 and the selected consolidated balance sheet data as of June 30, 2012, from our unaudited consolidated financial statements that are included elsewhere in this prospectus. We derived the consolidated statements of operations data for the years ended December 31, 2007 and 2008 and the balance sheet data as of December 31, 2007, 2008 and 2009 from our audited consolidated financial statements not included in this prospectus.

The adjustments to the pro forma and the pro forma as adjusted statements of operations data give effect to our corporate reorganization and related transactions as described in "Reorganization," and to this offering based on an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover page of this prospectus).

You should read the following selected consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and related notes included elsewhere in this prospectus. Our historic results are not necessarily indicative of the results that may be expected in the future.

	Year Ended December 31,							Six Months Ended June 30,			
	2007	2008	2009	2010	2011	2011 Pro forma (unaudited)	2011 Pro forma as adjusted (unaudited)	2011	2012	2012 Pro forma	2011 Pro forma as adjusted
	(in thousands, except share and per share amounts)							(unaudited)			
Consolidated Statements of Operations Data:											
Revenue	$ 30,006	$ 52,744	$ 61,099	$ 82,973	$ 120,271	$ 120,271	$ 120,271	$ 54,387	$ 78,199	$ 78,199	$ 78,199
Operating expenses:											
Cost of revenue	9,158	16,903	21,826	32,353	45,504	45,504	45,504	21,156	30,103	30,103	30,103
Sales and marketing	6,860	9,308	10,949	17,820	31,929	31,929	31,929	13,836	23,127	23,127	23,127
Research and development	1,023	1,120	2,361	4,591	9,777	9,777	9,777	4,255	7,070	7,070	7,070
General and administrative[1]	12,373	4,844	6,217	8,414	10,171	9,161	9,161	4,297	7,895	6,951	6,951
Total operating expenses	29,414	32,175	41,353	63,178	97,381	96,371	96,371	43,544	68,195	67,251	67,251
Income from operations	592	20,569	19,746	19,795	22,890	23,900	23,900	10,843	10,004	10,948	10,948
Interest income	1	18	5	19	10	10	10	7	5	5	5
Income before income taxes	593	20,587	19,751	19,814	22,900	23,910	23,910	10,850	10,009	10,953	10,953
Provision for income taxes[2]	402	942	909	876	1,036	10,005	10,005	462	227	4,662	4,662
Net income	$ 191	$ 19,645	$ 18,842	$ 18,938	$ 21,864	$ 13,905	$ 13,905	$ 10,388	$ 9,782	$ 6,291	$ 6,291
Pro forma as adjusted net income per share of common stock[3]:											
Basic (unaudited)							$ 0.46				$ 0.21
Diluted (unaudited)							$ 0.46				$ 0.21
Pro forma as adjusted weighted average shares used in computing net income per share of common stock[3]:											
Basic (unaudited)							30,480,415				30,497,718
Diluted (unaudited)							30,480,415				30,523,483

(1) Includes non-cash compensation of $917, $2,032, $1,833, $1,114, $2,122 and $1,112 for the years ended December 31, 2007, 2008, 2009, 2010, 2011, 2011 pro forma and 2011 pro forma as adjusted and $791, $2,157, $1,213 and $1,213 for the six months

ended June 30, 2011, 2012, 2012 pro forma and 2012 pro forma as adjusted, respectively. See pro forma notes (h) and (i) on page 49 for a description of the pro forma non-cash equity compensation adjustments.

(2) For 2009, 2010 and 2011, and the six months ended June 30, 2011 and 2012, we operated as a New York limited liability company for federal and state income tax purposes, taxed as a partnership, and therefore were not subject to federal and state income taxes. Following the Reorganization, we will become subject to income taxes at an assumed combined federal, state and city tax rate of 39.4% for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively. Such actual combined tax rate will depend on many factors and may be higher or lower than the assumed rate.

(3) The pro forma as adjusted basic net income per share of common stock reflects (i) the reclassification of all common and preferred members' interests to shares of common stock, (ii) the issuance of 155,178 shares of common stock upon the reclassification of an executive officer's profits interest award from other non-current liabilities to common stock in connection with the Reorganization and the accelerated vesting of 50% of the unvested profits interest award granted to the executive officer in connection with this offering and vesting of restricted equity awards post-Reorganization, (iii) the issuance of 112,240 shares of common stock resulting from the vesting of equity awards to one of our key employees in connection with the Reorganization, (iv) 1,433,571 additional shares of common stock, which represents the share equivalent of the dollar amount of the distributions declared and paid from July 1, 2011 through the date of the Reorganization, to the extent such distributions are in excess of earnings for the previous twelve months and (v) 857,143 additional shares of common stock, which represents the share equivalent of the dollar amount of the proceeds necessary to repay the term loan facility. The pro forma as adjusted diluted net income per share of common stock reflects the dilution resulting from the issuance of 0 additional shares of common stock for the year ended December 31, 2011 and 25,765 additional shares of common stock for the six months ended June 30, 2012, in each case arising from assumed exercise of options and potentially dilutive restricted shares of common stock. The pro forma as adjusted basic and diluted income per share of common stock includes additional shares of 2,290,714 issued in the offering and described in subsections (iv) and (v). The remaining 2,209,286 shares issued in this offering are excluded from the pro forma as adjusted net income per share calculations since the proceeds will be used for general corporate and working capital purposes.

	Year Ended December 31,					Six Months Ended June 30,	
	2007	2008	2009	2010	2011	2011	2012
Other Financial and Operational Data:							
Adjusted EBITDA (in thousands)(1)	$ 1,617	$ 22,782	$ 21,983	$ 21,783	$ 26,532	$ 12,258	$ 13,321
Free cash flow (in thousands)(2)	$ 11,298	$ 28,665	$ 26,399	$ 27,591	$ 36,095	$ 18,377	$ 16,053
Paid downloads (in millions) (during period) (3)	22.6	34.0	34.0	44.1	58.6	27.7	35.9
Revenue per download (during period)(4)	$ 1.33	$ 1.55	$ 1.80	$ 1.88	$ 2.05	$ 1.97	$ 2.18
Images in our library (in millions) (end of period)(5)	2.6	5.1	8.9	13.3	17.4	15.2	20.2

(1) See "—Non-GAAP Financial Measures" below as to how we define and calculate Adjusted EBITDA and for a reconciliation between Adjusted EBITDA and net income, the most directly comparable GAAP financial measure and a discussion about the limitations of Adjusted EBITDA.

(2) See "—Non-GAAP Financial Measures" below as to how we define and calculate Free Cash Flow and for a reconciliation between Free Cash Flow and net cash provided by operating activities, the most directly comparable GAAP financial measure and a discussion about the limitations of Free Cash Flow.

(3) Paid downloads is the number of paid image downloads that our customers make during a given period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics—Paid Downloads" for more information as to how we define and calculate paid downloads.

(4) Revenue per download is the amount of revenue recognized in a given period divided by the number of paid downloads in that period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics—Revenue per Download" for more information as to how we define and calculate paid revenue per download.

(5) Images in our library is the total number of photographs, vectors and illustrations available to customers on shutterstock.com at the end of the period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics—Images in our Library" for more information as to how we define and calculate paid images in our library.

	As of December 31,					As of June 30,
	2007	2008	2009	2010	2011	2012 (unaudited)
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 1,257	$ 975	$ 4,937	$ 6,544	$ 14,097	$ 15,042
Working capital (deficit)	(5,379)	(12,858)	(15,813)	(21,909)	(28,435)	(33,432)
Property and equipment, net	616	816	1,219	1,703	3,844	5,479
Total assets	2,773	3,384	11,067	13,863	24,855	30,229
Deferred revenue	5,202	9,723	14,259	19,631	28,451	33,626
Total liabilities	7,472	15,006	22,514	31,355	49,057	59,801
Redeemable preferred members' interest	32,758	34,539	36,218	36,811	33,725	29,937
Common members' interest	917	2,949	4,782	5,699	5,699	5,699
Total members' (deficit)	(37,457)	(46,161)	(47,665)	(54,303)	(57,927)	(59,509)

Non-GAAP Financial Measures

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we have disclosed within this prospectus Adjusted EBITDA, a non-GAAP financial measure. We define Adjusted EBITDA as income from operations before depreciation and amortization, non-cash equity-based compensation, interest and taxes.

We believe Adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compare our core operating results from period to period by removing the impact of our asset base (depreciation and amortization), non-cash equity-based compensation, interest and taxes.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our results as reported under GAAP as the excluded items may have significant effects on our operating results and financial condition. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP results. Additionally, our Adjusted EBITDA measure may differ from other companies' Adjusted EBITDA as it is a non-GAAP disclosure.

The following is a reconciliation of Adjusted EBITDA to net income for each of the periods indicated:

	Year Ended December 31,					Six Months Ended June 30,	
	2007	2008	2009	2010	2011	2011	2012
			(in thousands)				
Net Income	$ 191	$ 19,645	$ 18,842	$ 18,938	$ 21,864	$ 10,388	$ 9,782
Non-GAAP adjustments:							
Depreciation and amortization	108	181	404	874	1,520	624	1,160
Non-cash equity-based compensation	917	2,032	1,833	1,114	2,122	791	2,157
Interest (income)	(1)	(18)	(5)	(19)	(10)	(7)	(5)
Provision for income taxes	402	942	909	876	1,036	462	227
Adjusted EBITDA	$ 1,617	$ 22,782	$ 21,983	$ 21,783	$ 26,532	$ 12,258	$ 13,321

Free Cash Flow

To provide investors with additional information regarding our financial results, we have disclosed within this prospectus Free Cash Flow, a non-GAAP financial measure. We define Free Cash Flow as our

cash provided by operating activities, adjusted for cash interest income, and subtracting capital expenditures. We believe that Free Cash Flow is an important measure of operating performance because it allows management, investors and others to evaluate the cash that we generate after the financing of projects required to maintain or expand our asset base. When evaluating our performance, you should consider Free Cash Flow alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP results. Additionally, our Free Cash Flow measure may differ from other companies' Free Cash Flow as it is a non-GAAP disclosure.

The following is a reconciliation of Free Cash Flow to net cash provided by operating activities for each of the periods indicated:

	Year Ended December 31,					Six Months Ended June 30,	
	2007	2008	2009	2010	2011	2011	2012
			(in thousands)				
Net cash provided by operating activities	$ 11,655	$ 29,064	$ 27,151	$ 28,726	$ 39,547	$ 19,938	$ 18,922
Interest income	1	18	5	19	10	7	5
Capital expenditures	(356)	(381)	(747)	(1,116)	(3,442)	(1,554)	(2,864)
Free cash flow	$ 11,298	$ 28,665	$ 26,399	$ 27,591	$ 36,095	$ 18,377	$ 16,053

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

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and related notes that are included elsewhere in this prospectus. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or in other parts of this prospectus.

Overview

Shutterstock operates an industry-leading global marketplace for commercial digital imagery. Commercial digital imagery consists of licensed photographs, illustrations and videos that companies use in their visual communications, such as websites, digital and print marketing materials, corporate communications, books, publications and video content. Demand for commercial digital imagery comes primarily from businesses, marketing agencies and media organizations. We estimate that the market for pre-shot commercial digital imagery will grow to approximately $6 billion in 2016, based on a study conducted on our behalf by L.E.K. Consulting LLC, or L.E.K.

Our global online marketplace brings together users of commercial digital imagery with image creators from around the world. More than 550,000 active, paying users contributed to revenue in 2011, representing an increase of 71% compared to the prior year. We have historically benefitted from a high degree of revenue retention from both subscription-based and On Demand customers. For example, in 2009, 2010 and 2011, we experienced year-to-year revenue retention of 82%, 96%, and 102%, respectively. This means that customers that contributed to revenue in 2010 contributed, in the aggregate, 102% as much revenue in 2011 as they did in 2010. More than 35,000 approved contributors make their images available in our library, which has grown to more than 20 million images. This makes our library one of the largest of its kind and, in the twelve months ended December 31, 2011, we delivered more than 58 million paid downloads (including both commercial and editorial images) to our customers. We believe that we delivered the highest volume of commercial image downloads in this period of any single brand in our industry.

In 2003, we launched the initial version of our website and became one of the first companies in our industry to offer a simple subscription-based payment model. Since then, we have continually enhanced our platform, achieving key product development and business milestones that have driven our revenue and traffic growth:

- In November 2005, we launched our first foreign language website, in Japanese. We currently make our website available in a total of ten languages and transact in eight currencies on shutterstock.com, including U.S. Dollars, Euros, British Pounds and Yen.
- In February 2006, we began offering video footage in addition to our collection of still images.
- In June 2007, we launched *Shutterstock On The Red Carpet*, a program that facilitates the acquisition of press passes for Shutterstock contributors so that they can photograph newsworthy events.
- In August 2008, we launched an On Demand purchase option to better meet the needs of lower-volume image users.
- In September 2009, we acquired certain assets and liabilities of Bigstockphoto, Inc., or Bigstock, for approximately $3.3 million in cash. Bigstock offers its customers the option of purchasing "credits," which are redeemed as images are downloaded. In 2011, Bigstock also began offering a Pay As You Go purchase option that allows customers to pay a fixed price as and when they download images.

- In October 2009, we began offering each of our customers indemnification of up to $10,000 to cover legal costs or damages that may arise from their use of a Shutterstock image and to signal to customers that they can trust the quality and legal integrity of content they license through our marketplace. We subsequently began offering larger indemnification amounts or unlimited indemnification to certain of our customers.

- In November 2011, we launched *Shutterstock for iPad*, an application enabling visitors to search, browse and organize images using an iPad.

As an online marketplace, we generate revenue by selling image licenses and we pay royalties to contributors for each of their images that is downloaded. Approximately half of our revenue and the vast majority of our downloads come from subscription-based users. These customers can download and use a large number of images in their creative process without concern for the incremental cost of each image download. For users who need fewer images, we offer simple, affordable, On Demand pricing, which is presented as a flat rate across all images and sizes. Since the launch of our On Demand purchase options in 2008, revenue from our On Demand purchase options has increased as a percentage of our overall revenue and we expect that this trend will continue.

Each time an image or video is downloaded, we record a royalty expense for the amount due to the associated contributor. Royalties are calculated using either a fixed dollar amount or a fixed percentage of revenue as described on our websites. Royalties are paid to contributors on a monthly basis subject to certain payout minimums. Royalties represent the largest component of our operating expenses and tend to increase proportionally with revenue.

Our cost of revenue is substantially similar as a percentage of revenue for our On Demand and subscription-based purchase options. While contributors earn a fixed amount per download for some of our plans, we have set the per-download amount paid to our contributors for each of our purchase options in such a way that contributors earn more per download from plans where we collect higher revenue per download. In other words, we strive to deliver a similar percentage to contributors regardless of which purchase option a customer chooses. Cost of revenue for our On Demand purchase options has been slightly lower than that of our subscription-based options; however, this difference has historically represented less than 5% of revenue. As a result, we expect that any shifts in the relative popularity of these two purchase options will not substantially impact our cost of revenue.

We manage customer acquisition costs based on the blended customer lifetime value across our purchase options and so we are able to control our marketing expenses as a percentage of revenue. As a result, we do not believe that shifts in the mix between On Demand or subscription-based purchase options will materially impact our operating margins. In addition, the repeat revenue characteristics of customers whose first purchase was a subscription-based purchase option are substantially similar to those whose first purchase was an On Demand purchase option.

We have achieved significant growth in the last three years. Our total revenue has grown from $61.1 million in 2009 to $83.0 million in 2010 and $120.3 million in 2011, representing a compound annual growth rate of 40.3% since 2009. As our revenue has grown, so have our operating expenses, from $41.4 million in 2009 to $63.2 million in 2010 and $97.4 million in 2011, principally as a result of increased royalties, marketing costs and payroll expenses.

An important driver of our growth is customer acquisition, which we achieve primarily through online marketing efforts including paid search, organic search, online display advertising, email marketing, affiliate marketing, social media and strategic partnerships. In 2010, 2011 and the six months ended June 30, 2012, we increased our investments in marketing as a percentage of revenue. Since we believe the market for commercial digital imagery is at an early stage, we plan to continue to invest aggressively in customer acquisition to achieve revenue and market share growth. We believe that another important driver of growth is the quality of the user experience we provide on our websites, especially the efficiency

with which our search interfaces and algorithms help customers find the images that they need, the degree to which we make use of the large quantity of data we collect about images and search patterns, and the degree to which our websites have been localized for international audiences. To this end, we have also invested aggressively in product development and we plan to continue to invest in this area. Finally, the quality and quantity of content that we make available in our library is another key driver of our growth. In the last three calendar years, the number of approved and licensable images in the Shutterstock library has grown from 9 million to over 20 million images to date, making it one of the largest libraries of its kind.

Even as we have invested in our key growth drivers of customer acquisition, customer experience improvement and content acquisition, we have delivered strong profitability. In 2011, our net income was $21.9 million and net cash from operating activities was $39.5 million. In the same period, Adjusted EBITDA and Free Cash Flow was $26.5 million and $36.1 million, respectively. See "Selected Consolidated Financial Data—Non-GAAP Financial Measures."

Key Operating Metrics

In addition to key financial metrics, we regularly review a number of key operating metrics to evaluate our business, determine the allocation of resources and make decisions regarding business strategies. We believe that these metrics are useful for understanding the underlying trends in our business. The following table summarizes our key operating metrics, which are unaudited, for the years ended December 31, 2009, 2010 and 2011 and for the six months ended June 30, 2011 and 2012:

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
	(in millions, except revenue per download)				
Paid downloads (during period)	34.0	44.1	58.6	27.7	35.9
Revenue per download (during period)	$ 1.80	$ 1.88	$ 2.05	$ 1.97	$ 2.18
Images in our library (end of period)	8.9	13.3	17.4	15.2	20.2

Paid Downloads

Measuring the number of paid downloads that our customers make in any given period is important because our revenue and contributor royalties are driven by paid download activity. For customers that choose our On Demand purchase options, each incremental download results in incremental recognition of revenue. For customers that choose our subscription purchase options, we do not recognize revenue from each incremental download, but we believe that download activity is an important measure of the value that a customer is getting from a subscription and the likelihood that he or she will renew. We define paid downloads as the number of downloads that our customers make in a given period of our photographs, vectors, illustrations or videos, excluding re-downloads of images that a customer has downloaded in the past (which do not generate contributor royalty expense) and downloads of our free image of the week (which we make available as a means of acquiring new customers and attracting existing customers to return to our websites more frequently).

Revenue per Download

We define revenue per download as the amount of revenue recognized in a given period divided by the number of paid downloads in that period. This metric captures both changes in our pricing as well as the mix of purchase options that our customers choose, some of which generate more revenue per download than others. For example, when a customer pays $49.00 for five On Demand images, we earn more revenue per download ($9.80) than when a customer purchases a one-month subscription for $249.00 and downloads 100 images during the month ($2.49). Over the last three years, revenue from each of our purchase options has grown, however our fastest growing purchase options have been those that generate

more revenue per download, most notably our On Demand purchase options. Due to this change in product mix, our revenue per download has increased steadily over the last three years.

Images in our Library

We define images in our library as the total number of photographs, vectors and illustrations available to customers on shutterstock.com at any point in time. We record this metric as of the end of a period. Offering a large selection of images allows us to acquire and retain customers and, therefore, we believe that broadening our selection of high-quality images is an important driver of our revenue growth.

Basis of Presentation

Revenue

We generate revenue by licensing commercial digital imagery. The significant majority of our revenue is generated via either subscription or On Demand purchase options. We generate subscription revenue through the sale of subscriptions varying in length from 30 days to 1 year. Our most popular subscription offering allows up to 25 image downloads per day for a flat monthly fee. In substantially all cases, we receive the full amount of the subscription payment by credit card at the time of sale; however, subscription revenue is recognized on a straight-line basis over the subscription period. We generate On Demand revenue through the sale of fixed packages of downloads varying in quantity from 1 image to 25 images. We also generate On Demand revenue through Bigstock via the sale of both credits plans (which enable a customer to purchase a fixed number of credits which can then be utilized to download images anytime within one year) and Pay As You Go pricing (which provides for simple cash pricing of individual images). We typically receive the full amount of the purchase at the time of sale; however, revenue is recognized as images are downloaded or when the right to download images expires (typically 365 days after purchase). We provide a number of other purchase options which together represented less than 8% of our revenue in 2011 and approximately 11% of our revenue for the six months ended June 30, 2012. These purchase options include custom accounts (for customers that need multi-seat access, invoicing, higher or unlimited indemnification or a higher volume of images) and video footage (which are sold both individually and in fixed packages). We typically receive the full amount of the purchase at the time of sale; however, revenue is recognized as images or videos are downloaded or when the right to download expires, typically 365 days after purchase. Some of our larger custom accounts are invoiced at or after the time of sale and pay us on credit terms. Some custom accounts pay in quarterly installments over the course of an annual commitment.

Our deferred revenue consists of paid but unrecognized subscription revenue, On Demand revenue, and other revenue. Deferred revenue is recognized as revenue when images or videos are downloaded (On Demand), through the passage of time (subscriptions) or when credits or the right to download images or videos expire, and when all other revenue recognition criteria have been met.

Costs and Expenses

Cost of Revenue. Cost of revenue consists of royalties paid to contributors, credit card processing fees, image and video review costs, customer service expenses, the infrastructure costs related to maintaining our websites and associated employee compensation, facility costs and other supporting overhead costs. We expect that our cost of revenue will increase in absolute dollars in the foreseeable future as our revenue grows.

Sales and Marketing. Sales and marketing expenses include third-party marketing, advertising, branding, public relations and sales expenses. Sales and marketing expenses also include associated employee compensation, commissions and benefits as well as facility and other supporting overhead costs. We expect sales and marketing expenses to increase in absolute dollars in the foreseeable future as we continue to invest in new customer acquisition.

Research and Development. Research and development expenses consist of headcount expenses, including salaries, benefits and bonuses for salaried employees and contractors engaged in product management, design, development and testing of our websites and products. Research and development costs also include facility and other supporting overhead costs. We expense research and development expenses as incurred. We expect research and development expenses to increase in absolute dollars in the foreseeable future as we continue to invest in developing new products and enhancing the functionality of our existing products.

General and Administrative. General and administrative expenses include employee salaries and benefits for executive, finance, business development, accounting, legal, human resources, internal information technology and other administrative personnel. In addition, general and administrative expenses include non-cash stock compensation expense, outside legal and accounting services, facilities costs and other supporting overhead costs. We expect to incur incremental general and administrative expenses to support our growth and to support operating as a public company.

Provision for Income Taxes. Historically, we filed our income tax return as a New York limited liability company, for federal and state income tax purposes. As a limited liability company, we recognized no federal and state income taxes, as the members of the LLC, and not the entity itself, are subject to income tax on their allocated share of our earnings. Historically, we generally made monthly distributions to our members under the terms of the LLC's operating agreement, and subject to our operating cash needs. Once we reorganize from a limited liability company to a Delaware corporation prior to the effectiveness of the registration statement of which this prospectus is a part, our corporate income tax rate will increase significantly as we become subject to federal, state and additional city income tax. See Note 7 to our Consolidated Financial Statements and "Unaudited Pro Forma Consolidated Financial Statements" included elsewhere in this prospectus.

We are subject to taxation on allocable portions of our net income and other taxes based on various methodologies employed by taxing authorities in certain localities.

As we expand our operations outside of the United States, we may become subject to taxation based on the foreign statutory rates and our effective tax rate could fluctuate accordingly.

Our U.S. GAAP income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted statutory income tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce net deferred tax assets to the amount expected to be realized.

Results of Operations

The following table presents our results of operations for the periods indicated. The period-to-period comparisons of results are not necessarily indicative of results for future periods.

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
			(in thousands)		
Consolidated Statement of Operations:					
Revenue	$ 61,099	$ 82,973	$ 120,271	$ 54,387	$ 78,199
Operating expenses:					
Cost of revenue	21,826	32,353	45,504	21,156	30,103
Sales and marketing	10,949	17,820	31,929	13,836	23,127
Research and development	2,361	4,591	9,777	4,255	7,070
General and administrative	6,217	8,414	10,171	4,297	7,895
Total operating expenses	41,353	63,178	97,381	43,544	68,195
Income from operations	19,746	19,795	22,890	10,843	10,004
Interest income	5	19	10	7	5
Income before income taxes	19,751	19,814	22,900	10,850	10,009
Provision for income taxes	909	876	1,036	462	227
Net income	$ 18,842	$ 18,938	$ 21,864	$ 10,388	$ 9,782

The following table presents the components of our results of operations for the periods indicated as a percentage of revenue:

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
Consolidated Statement of Operations as a Percentage of Revenue:					
Revenue	100%	100%	100%	100%	100%
Operating expenses:					
Cost of revenue	36	39	38	39	38
Sales and marketing	18	21	27	25	30
Research and development	4	6	8	8	9
General and administrative	10	10	8	8	10
Total operating expenses	68	76	81	80	87
Income from operations	32	24	19	20	13
Interest income	0	0	0	0	0
Income before income taxes	32	24	19	20	13
Provision for income taxes	1	1	1	1	0
Net income	31%	23%	18%	19%	13%

Comparison of the Six Months Ended June 30, 2011 and June 30, 2012

The following table presents our results of operations for the periods indicated:

	Six Months Ended June 30,			
	2011	2012	$ Change	% Change
		(in thousands)		
Consolidated Statements of Operations Data:				
Revenue	$ 54,387	$ 78,199	$ 23,812	44%
Operating expenses:				
Cost of revenue	21,156	30,103	8,947	42
Sales and marketing	13,836	23,127	9,291	67
Research and development	4,255	7,070	2,815	66
General and administrative	4,297	7,895	3,598	84
Total operating expenses	43,544	68,195	24,651	57
Income from operations	10,843	10,004	(839)	(8)
Interest income	7	5	(2)	(29)
Income before income taxes	10,850	10,009	(841)	(8)
Provision for income taxes	462	227	(235)	(51)
Net income	$ 10,388	$ 9,782	$ (606)	(6)%

Revenue

Revenue increased by $23.8 million, or 44%, to $78.2 million in the six months ended June 30, 2012 compared to the same period in 2011. This increase in revenue was primarily attributable to growth in paid downloads and an increase in revenue per download. In the six months ended June 30, 2011 and 2012, respectively, we delivered 27.7 million and 35.9 million paid downloads, and our average revenue per download increased from $1.97 to $2.18. Paid downloads increased primarily due to the acquisition of new customers from our marketing strategies. Revenue per download increased primarily due to growth in our On Demand offerings, which capture a higher effective price per image. In the six months ended June 30, 2011 compared to the same period in 2012, revenue from North America increased from 33% to 35% while revenue from Europe decreased from 41% to 38% and revenue from the rest of the world increased from 26% to 27%.

Cost and Expenses

Cost of Revenue. Cost of revenue increased by $8.9 million, or 42%, to $30.1 million in the six months ended June 30, 2012 compared to the same period in 2011. Royalties increased $7.0 million, or 46%, driven by an increase in downloads from existing and new customers. We anticipate royalties growing in line with revenues for the remainder of 2012 and beyond, although royalties as a percentage of revenue may vary somewhat from period to period. Credit card charges remained flat as increasing card volume in the six months ended June 30, 2012 was offset by significantly lower credit card processing fees per transaction as we switched the majority of our credit card processing to a new vendor in May 2011. We anticipate credit card charges increasing for the remainder of 2012 and beyond as credit card transaction volume increases. Employee-related costs increased $0.7 million, or 56%, driven by increased headcount in customer service, content and website operations from 37 employees in the six months ended June 30, 2011 to 48 employees in the six months ended June 30, 2012 to support increased customer volume and a more robust website infrastructure.

Sales and Marketing. Sales and marketing expenses increased by $9.3 million, or 67%, to $23.1 million in the six months ended June 30, 2012 compared to the same period in 2011. Advertising

expenses, the largest component of our sales and marketing expenses, accounted for approximately 78% of that increase, as such expenses increased by $7.2 million, or 65% as compared to the prior period, as a result of increased spending on both online and offline advertising, including spending on both search and display advertising globally. We anticipate that our global advertising spend will continue to increase significantly in absolute dollars for the remainder of 2012 and beyond, provided that we continue to acquire customers cost effectively. Employee-related expenses increased by $1.7 million, or 86%, driven by increases in sales and marketing headcount from 35 employees in the six months ended June 30, 2011 to 66 employees in the six months ended June 30, 2012 and increased sales commissions as a result of growing revenue from direct sales.

Research and Development. Research and development expenses increased by $2.8 million, or 66%, to $7.1 million in the six months ended June 30, 2012 compared to the same period in 2011. Employee-related costs increased by $1.7 million, or 57%, driven by headcount increases in product, engineering and quality assurance from 54 employees in the six months ended June 30, 2011 to 78 employees in the six months ended June 30, 2012. The increased headcount costs were driven by an increasing number of research and development initiatives for our websites, including significant and ongoing efforts to improve our search capabilities. We anticipate increases in personnel costs as we continue to innovate and offer new products and features, although we expect the rate of increase will decline as we expand our operations. In addition, consulting costs increased by $0.4 million primarily due to costs associated with quality assurance services.

General and Administrative. General and administrative expenses increased by $3.6 million, or 84%, to $7.9 million in the six months ended June 30, 2012 compared to the same period in 2011. Employee-related expenses increased by $0.5 million, or 31%, as we increased finance, legal, human resources, internal information technology and business intelligence personnel from 22 employees in the six months ended June 30, 2011 to 32 employees in the six months ended June 30, 2012 to support the growth in our revenue and the infrastructure necessary to operate as a public company. We anticipate headcount will increase for the remainder of 2012 and beyond but we expect that the rate of growth will moderate as we expand our operations. Professional fees increased by $1.0 million, or 304%, because of additional expenses associated with our preparation of this offering. Non-cash equity-based compensation expense increased by $1.4 million, or 173%, due to the ongoing vesting of a common member's ownership interest, as more fully described in Note 12 to our Consolidated Financial Statements included elsewhere in this prospectus.

Income Taxes. Income tax expense decreased by $0.2 million, or 51%, to $0.2 million in the six months ended June 30, 2012 compared to the same period in 2011 due to decreased New York City unincorporated business tax resulting from decreased taxable income.

Comparison of the Years Ended December 31, 2010 and December 31, 2011

The following table presents our results of operations for the periods indicated:

	Year Ended December 31,			
	2010	2011	$ Change	% Change
		(in thousands)		
Consolidated Statements of Operations Data:				
Revenue	$ 82,973	$ 120,271	$ 37,298	45%
Operating expenses:				
Cost of revenue	32,353	45,504	13,151	41
Sales and marketing	17,820	31,929	14,109	79
Research and development	4,591	9,777	5,186	113
General and administrative	8,414	10,171	1,757	21
Total operating expenses	63,178	97,381	34,203	54
Income from operations	19,795	22,890	3,095	16
Interest income	19	10	(9)	(47)
Income before income taxes	19,814	22,900	3,086	16
Provision for income taxes	876	1,036	160	18
Net income	$ 18,938	$ 21,864	$ 2,926	15%

Revenue

Revenue increased by $37.3 million, or 45%, to $120.3 million in 2011 compared to 2010. This increase in revenue was primarily attributable to growth in paid downloads and an increase in revenue per download. In 2010 and 2011, respectively, we delivered 44.1 million and 58.6 million paid downloads, and our average revenue per download increased from $1.88 to $2.05. Paid downloads increased primarily due to the acquisition of new customers. Revenue per download increased primarily due to growth in our On Demand offerings, which capture a higher effective price per image. From 2010 to 2011, revenue from North America remained unchanged at 34% while revenue from Europe decreased from 41% to 40% and revenue from the rest of the world increased from 25% to 26%.

Cost and Expenses

Cost of Revenue. Cost of revenue increased by $13.2 million, or 41%, to $45.5 million in 2011 compared to 2010. Royalties increased $10.8 million, or 47%, driven by an increase in downloads from existing and new customers. Credit card charges remained substantially unchanged at $5.1 million as increasing card volume in 2011 was offset by significantly lower credit card processing fees per transaction as we switched the majority of our credit card processing to a new vendor in 2011. Employee-related costs increased $1.1 million, or 60%, driven by increased headcount in customer service, content and website operations from 31 employees at year-end 2010 to 37 employees at year-end 2011 to support increased customer volume and a more robust website infrastructure.

Sales and Marketing. Sales and marketing expenses increased by $14.1 million, or 79%, to $31.9 million in 2011 compared to 2010. Advertising expenses, the largest component of our sales and marketing expenses, accounted for approximately 86% of that increase, as such expenses increased by $12.1 million, or 89%, as compared to the prior period, as a result of increased spending on both online and offline advertising, including spending on both search and display advertising globally. Employee-related expenses increased by $1.4 million, or 41%, driven by increases in sales and marketing headcount from 36 employees at year-end 2010 to 40 employees at year-end 2011 and increased sales commissions as a result of growing revenue from direct sales. These cost increases were partially offset by the closure of our telesales call center in Saratoga Springs, New York, which had expenses of $0.9 million in 2010.

Research and Development. Research and development expenses increased by $5.2 million, or 113%, to $9.8 million in 2011 compared to 2010. Employee-related costs increased by $3.3 million or 94%, driven by headcount increases in product, engineering and quality assurance from 33 employees at year-end 2010 to 63 employees at year-end 2011. The increased headcount costs were driven by an increasing number of research and development initiatives for our websites, including significant and ongoing efforts to improve our search capabilities. In addition, recruiting expenses increased by $0.6 million, and consulting costs increased by $0.5 million primarily due to costs associated with outsourced development and quality assurance services.

General and Administrative. General and administrative expenses increased by $1.8 million, or 21%, to $10.2 million in 2011 compared to 2010. Employee-related expenses increased by $1.3 million, or 67%, as we increased finance, legal, human resources, internal information technology and business intelligence personnel from 19 employees at year-end 2010 to 29 employees at year-end 2011 to support the growth in our revenue and the infrastructure necessary to operate as a public company. Non-cash equity-based compensation expense increased by $1.0 million, or 91%, due to the ongoing vesting of a common member's ownership interest, as more fully described in Note 11 to our Consolidated Financial Statements included elsewhere in this prospectus. In 2011, post-acquisition service compensation related to a former employee of Bigstock decreased by $0.6 million.

Income Taxes. Income tax expense increased by $0.2 million, or 18%, to $1.0 million in 2011 compared to 2010 due to increased New York City unincorporated business tax resulting from increased taxable income.

Comparison of the Years Ended December 31, 2009 and December 31, 2010

The following table presents our results of operations for the periods indicated:

	Year Ended December 31,			
	2009	2010	$ Change	% Change
		(in thousands)		
Consolidated Statements of Operations Data:				
Revenue	$ 61,099	$ 82,973	$ 21,874	36%
Operating expenses:				
Cost of revenue	21,826	32,353	10,527	48
Sales and marketing	10,949	17,820	6,871	63
Research and development	2,361	4,591	2,230	94
General and administrative	6,217	8,414	2,197	35
Total operating expenses	41,353	63,178	21,825	53
Income from operations	19,746	19,795	49	0
Interest income	5	19	14	280
Income before income taxes	19,751	19,814	63	0
Provision for income taxes	909	876	(33)	(4)
Net income	$ 18,842	$ 18,938	$ 96	1%

Revenue

Revenue increased by $21.9 million, or 36%, to $83.0 million in 2010 as compared to 2009. This increase in revenue was primarily attributable to growth in paid downloads and an increase in revenue per download. In 2009 and 2010, respectively, we delivered 34.0 million and 44.1 million paid downloads, and our average revenue per download increased from $1.80 to $1.88. Paid downloads increased primarily due to the acquisition of new customers. Revenue per download increased due to more rapid growth in our On Demand offerings, which have a higher effective price per image.

From 2009 to 2010, the proportion of our revenue derived from North America decreased from 36% to 34%, while revenue derived from Europe decreased from 42% to 41%, and revenue derived from the rest of the world increased from 22% to 25%.

Cost and Expenses

Cost of Revenue. Cost of revenue in 2010 increased by $10.5 million, or 48%, to $32.4 million in 2010 as compared to 2009. This increase was primarily driven by an increase in downloads (with a corresponding increase in contributor royalties), an increase in transactions (with a corresponding increase in credit card processing fees) and an increase in employee-related costs. Contributor royalties increased by $6.7 million, or 41%, driven by an increase in image downloads. Credit card processing fees increased by $2.2 million, or 77%, driven by an increase in credit card sales and by foreign currency conversion fees as we implemented a new foreign credit card processor in early 2010 to enable settlement in foreign currencies. Employee-related costs increased by $0.8 million, or 82%, driven by increases in customer service, content and website operations headcount from 18 employees at year-end 2009 to 31. During 2010, we significantly expanded our focus on improving customer service response times, increasing capacity in content operations and improving our website operations for increased speed and improved reliability.

Sales and Marketing. Sales and marketing expenses increased by $6.9 million, or 63%, to $17.8 million in 2010 compared to 2009 due to a $5.3 million increase in advertising expenses and $1.5 million increase in employee-related costs driven by increases in marketing and sales headcount from 27 employees at year-end 2009 to 36 employees at year-end 2010. We increased our advertising investment by expanding our spending on online search engine marketing and banner advertising, which resulted in increased traffic to the site and increased customer purchases. We also increased the size and expertise of our marketing staff to improve our marketing strategy, online marketing, graphic design and copywriting.

Research and Development. Research and development expenses increased by $2.2 million, or 94%, to $4.6 million in 2010 compared to 2009 due primarily to a $2.0 million or 136% increase in employee-related costs, driven by increases in product, engineering and quality assurance headcount from 25 employees at year-end 2009 to 33 employees at year-end 2010. Beginning in the second half of 2009 and onwards, headcount began to increase significantly as we formed dedicated cross-functional teams for the various customer and contributor-facing website areas. The formation of these teams enabled us to significantly expand our research and development efforts, enabling improvements in areas such as site search, usability, conversion and retention.

General and Administrative. General and administrative expenses in 2010 increased by $2.2 million, or 35%, to $8.4 million in 2010 as compared to 2009 due primarily to a $1.4 million increase in employee-related expenses, driven by increases in finance, legal, human resource and internal information technology headcount from 10 employees at year-end 2009 to 19 employees at year-end 2010. We expanded our general and administrative staff significantly in 2010 as we expanded our finance and accounting department and added management, legal and human resource personnel to support the growth of our business.

Income Taxes. Income tax expense remained unchanged from 2009 to 2010, at $0.9 million, as New York City taxable income remained largely unchanged.

Quarterly Results of Operations

The following tables set forth selected unaudited quarterly statements of operations data for the last ten fiscal quarters. The information for each of these quarters has been prepared on the same basis as the audited financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods. This data should be read in conjunction with the audited financial statements and accompanying notes included elsewhere in this prospectus. These quarterly operating results are not necessarily indicative of our operating results for any future period.

	Three Months Ended									
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012
	(in thousands)									
Consolidated Statement of Operations Data:										
Revenue	$ 18,610	$ 19,580	$ 20,920	$ 23,863	$ 25,475	$ 28,912	$ 31,156	$ 34,728	$ 37,574	$ 40,625
Operating expenses:										
Cost of revenue	7,163	7,687	8,244	9,259	10,179	10,977	11,373	12,975	14,531	15,572
Sales and marketing	3,445	4,004	5,231	5,140	6,961	6,875	8,493	9,600	12,140	10,987
Research and development	914	1,121	1,199	1,357	1,887	2,368	2,811	2,711	3,520	3,550
General and administrative	2,024	2,261	1,933	2,196	2,012	2,285	2,539	3,335	3,589	4,306
Total operating expenses	13,546	15,073	16,607	17,952	21,039	22,505	25,216	28,621	33,780	34,415
Income from operations	5,064	4,507	4,313	5,911	4,436	6,407	5,940	6,107	3,794	6,210
Interest income	1	4	4	10	6	1	1	2	3	2
Income before income taxes	5,065	4,511	4,317	5,921	4,442	6,408	5,941	6,109	3,797	6,212
Provision for income taxes	224	199	191	262	189	273	253	321	86	141
Net income	$ 4,841	$ 4,312	$ 4,126	$ 5,659	$ 4,253	$ 6,135	$ 5,688	$ 5,788	3,711	6,071
Non-GAAP Financial Data:										
Adjusted EBITDA[(1)]	$ 5,712	$ 5,168	$ 4,534	$ 6,369	$ 5,053	$ 7,205	$ 6,945	$ 7,329	$ 4,986	$ 8,335
Free cash flow[(2)]	$ 8,114	$ 5,877	$ 6,403	$ 7,197	$ 9,556	$ 8,819	$ 8,303	$ 9,416	$ 8,306	$ 7,747

(1) See "Selected Consolidated Financial Data—Non-GAAP Financial Measures" as to how we define and calculate Adjusted EBITDA and a discussion about the limitations of Adjusted EBITDA, and see below for a reconciliation between Adjusted EBITDA and net income, the most directly comparable GAAP financial measure.

(2) See "Selected Consolidated Financial Data—Non-GAAP Financial Measures" as to how we define and calculate Free Cash Flow and a discussion about the limitations of Free Cash Flow, and see below for a reconciliation between Free Cash Flow and net cash provided by operating activities, the most directly comparable GAAP financial measure.

The following table presents the unaudited quarterly results of operations as a percentage of revenue:

	Three Months Ended									
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012
	(as a percentage of revenue)									
Consolidated Statement of Operations Data as a percentage of revenue:										
Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating expenses:										
Cost of revenue	38	39	39	39	40	38	37	37	39	38
Sales and marketing	19	20	25	22	27	24	27	28	32	27
Research and development	5	6	6	6	7	8	9	8	9	9
General and administrative	11	12	9	9	8	8	8	10	10	11
Total operating expenses	73	77	79	76	82	78	81	83	90	85
Income from operations	27	23	21	24	18	22	19	17	10	15
Interest income	0	0	0	0	0	0	0	0	0	0
Income before income taxes	27	23	21	24	18	22	19	17	10	15
Provision for income taxes	1	1	1	1	1	1	1	1	0	0
Net income	26%	22%	20%	23%	17%	21%	18%	16%	10%	15%

	Three Months Ended									
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012
	(in thousands)									
Reconciliation of Net Income to Adjusted EBITDA:										
Net income	$ 4,841	$ 4,312	$ 4,126	$ 5,659	$ 4,253	$ 6,135	$ 5,688	$ 5,788	$ 3,711	$ 6,071
Non-GAAP adjustments:										
Depreciation and amortization	190	203	221	260	288	336	407	489	528	632
Non-cash equity-based compensation	458	458	—	198	329	462	598	733	664	1,493
Interest (income)	(1)	(4)	(4)	(10)	(6)	(1)	(1)	(2)	(3)	(2)
Provision for income taxes	224	199	191	262	189	273	253	321	86	141
Adjusted EBITDA	$ 5,712	$ 5,168	$ 4,534	$ 6,369	$ 5,053	$ 7,205	$ 6,945	$ 7,329	$ 4,986	$ 8,335

	Three Months Ended									
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012
	(in thousands)									
Reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities:										
Net cash provided by operating activities	$ 8,305	$ 6,047	$ 6,675	$ 7,699	$ 10,367	$ 9,571	$ 9,517	$ 10,093	$ 9,815	$ 9,107
Interest income	1	4	4	10	6	1	1	2	3	2
Capital expenditures	(190)	(166)	(268)	(492)	(805)	(749)	(1,213)	(675)	(1,506)	(1,358)
Free cash flow	$ 8,114	$ 5,877	$ 6,403	$ 7,197	$ 9,556	$ 8,821	$ 8,303	$ 9,416	$ 8,306	$ 7,747

Quarterly Trends

Our operating results may fluctuate from quarter to quarter as a result of a variety of factors. Our results may reflect the effects of some seasonal trends in customer behavior. For example, we expect usage

to decrease during the fourth quarter of each calendar year due to the year-end holiday season, and to increase in the first quarter of each calendar year as many customers return to work. While we believe these seasonal trends have affected and will continue to affect our quarterly results, our trajectory of rapid growth may have overshadowed these effects to date. Additionally, because a significant portion of our revenue is derived from repeat customers who have purchased subscription plans, our revenues tend to be smoother and less volatile than if we had no subscription-based customers.

In addition, expenditures by customers tend to be discretionary in nature, reflecting overall economic conditions, the economic prospects of specific industries, budgeting constraints and buying patterns and a variety of other factors, many of which are outside our control. As a result of these and other factors, the results of any prior quarterly or annual periods should not be relied upon as indications of our future operating performance.

Liquidity and Capital Resources

As of June 30, 2012, we had cash and cash equivalents of $15.0 million. Since inception, we have financed our operations primarily through cash flow generated from operations. Historically, our principal uses of cash have been funding our operations, capital expenditures and distributions to members. Immediately prior to the Reorganization, we will make a final distribution to members constituting approximately all of the cash generated from the LLC's operations since the last distribution to members and any other cash and cash equivalents on hand at the time of the distribution, other than any amounts received under the term loan facility, as described below. Following the Reorganization, no further distributions to members will be made. Additionally, following the Reorganization, our tax rate and related tax payments will increase significantly as we become subject to federal, state and additional city income tax.

As discussed in greater detail under "—Financing Transactions" below, we recently entered into a term loan facility. Following the final distribution to members described above, the borrowings from the term loan facility will be used to fund the short-term capital needs of our operations until we generate additional cash flow from operations following this offering.

We plan to finance our operations and capital expenses largely through our operations. Since our results of operations are sensitive to the level of competition we face, increased competition could adversely affect our liquidity and capital resources, both by reducing our revenues and our net income, as a result of reduced sales, reduced prices and increased promotional activities, among other factors, as well as by requiring us to spend cash on advertising and marketing in an effort to maintain or increase market share in the face of such competition. In addition, the advertising and marketing expenses used to maintain market share and support future revenues will be funded from current capital resources or from borrowings or equity financings. As a result, our ability to grow our business relying largely on funds from our operations is sensitive to competitive pressures and other risks relating to our liquidity or capital resources.

Financing Transactions

On September 21, 2012, we entered into a loan and security agreement with Silicon Valley Bank providing for a $12.0 million term loan facility, which we refer to as the term loan facility. We will use the net proceeds from the term loan facility for working capital and general business purposes.

The term loan facility provides for a term loan of $12.0 million and matures on the earlier of (i) September 21, 2013 and (ii) the date on which such facility is accelerated following the occurrence of an event of default. The term loan facility provides for interest on the term loan, at our option, at the prime rate as published in the Wall Street Journal minus 0.75%, or a LIBOR-based rate plus a margin of 2.00%. We selected the one-month LIBOR-based rate and can select a new interest rate option after the month expires.

The term loan facility includes financial covenants of a minimum EBITDA determined quarterly, measured on a trailing 12 month basis and a minimum liquidity requirement.

The term loan facility also includes customary negative and affirmative covenants including, among others, limitations on our ability to: (i) incur additional debt; (ii) create liens; (iii) make certain investments, loans and advances; (iv) sell assets; (v) pay dividends or make distributions or other restricted payments; (vi) engage in mergers or consolidations (other than the Reorganization); or (vii) change our business.

Amounts under the term loan facility may become due upon certain events of default including, among others, failure to comply with the term loan facility's covenants, bankruptcy, default on certain other indebtedness or a change in control. The default rate under the term loan facility is an additional 2.00% per annum over the otherwise applicable rate.

All obligations under the term loan facility are secured by substantially all of our assets, other than our intellectual property.

As of the date of this prospectus, we were in compliance with the financial covenants and other covenants applicable to us under the term loan facility.

Sources of Funds

We believe, based on our current operating plan, that our cash from operations following this offering, as well as borrowings under our term loan facility, will be sufficient to meet our anticipated cash needs for at least the next 12 months.

Uses of Funds

Capital Expenditures. Consistent with previous periods, future capital expenditures will focus on acquiring additional servers and network connectivity hardware and software, and general corporate infrastructure. We anticipate capital expenditures of approximately $3 million for the second half of 2012.

Historical Trends

The following table summarizes our cash flow data for 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively.

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
			(in thousands)		
Net cash provided by operating activities	$ 27,151	$ 28,726	$ 39,547	$ 19,938	$ 18,922
Net cash (used in) investing activities	$ (2,689)	$ (1,219)	$ (3,419)	$ (1,546)	$ (2,826)
Net cash (used in) financing activities[(1)]	$ (20,500)	$ (25,900)	$ (28,575)	$ (19,500)	$ (15,151)

(1) Comprised of distributions to LLC members. No further distributions to members will be made following the Reorganization.

Cash Flows

Operating Activities

Our primary source of cash from operating activities is cash collections from our customers. The substantial majority of our revenues are generated from credit card transactions and are typically settled within one to five business days. Our primary uses of cash for operating activities are for settlement of accounts payable to contributors, vendors and personnel-related expenditures.

In the six months ended June 30, 2012, net cash provided by operating activities was $18.9 million, a decrease of 5% compared to the same period in 2011, including net income of $9.8 million and non-cash compensation of $2.2 million. Cash inflows from changes in operating assets and liabilities included an

increase in deferred revenue of $5.2 million, primarily related to an increase in both subscription and On Demand revenue. Accounts payable and other operating liabilities increased by $2.4 million as trade payables grew in both average size and volume and payroll costs increased due to headcount expansion. Contributor royalties payable increased by $1.1 million due to increasing royalty expenses generated by increased customer download activity.

In the six months ended June 30, 2011, net cash provided by operating activities was $19.9 million, an increase of 39% compared to the same period in 2010, including net income of $10.4 million and non-cash compensation of $0.8 million. Cash inflows from changes in operating assets and liabilities included an increase in deferred revenue of $6.2 million, primarily related to an increase in both subscription and On Demand revenue. Accounts payable and other operating liabilities increased by $2.3 million as trade payables grew in both average size and volume and payroll costs increased due to headcount expansion. Contributor royalties payable increased by $0.8 million due to increasing royalty expenses generated by increased customer download activity.

In 2011, net cash provided by operating activities was $39.5 million, an increase of 38% compared to 2010, including net income of $21.9 million and non-cash compensation of $2.1 million. Cash inflows from changes in operating assets and liabilities included an increase in deferred revenue of $8.8 million, primarily related to an increase in both subscription and On Demand revenue. Accounts payable increased by $5.7 million as trade payables grew in both average size and volume. Additionally, we changed the payment date of our annual performance bonuses and the payment date of a significant trade payable, which together accounted for $2.9 million of the increase. Contributor royalties payable increased by $1.3 million due to increasing royalty expenses generated by increased customer download activity.

In 2010, net cash provided by operating activities was $28.7 million, an increase of 6% compared to 2009, including net income of $18.9 million and non-cash compensation of $1.1 million. Cash inflows from changes in operating assets and liabilities included an increase in deferred revenue of $5.4 million primarily related to an increase in revenue, and an increase in contributor royalties payable of $1.1 million due to increased royalty expenses generated by increased customer download activity.

In 2009, net cash provided by operating activities was $27.2 million, a decrease of 7% compared to 2008, including net income of $18.8 million and non-cash compensation of $1.8 million. Cash inflows from changes in operating assets and liabilities included an increase in deferred revenue of $3.9 million primarily related to an increase in revenue and an increase in contributor royalties payable of $0.5 million due to increased royalty expenses generated by increased customer download activity.

Investing Activities

Our investing activities have consisted primarily of capital expenditures to purchase software and equipment related to our data centers, as well as capitalization of software and website development costs. In 2009, investing cash flows also included cash used in the acquisition of Bigstock.

Cash used in investing activities in the six months ended June 30, 2012 and 2011 was $2.8 million and $1.5 million, respectively, consisting entirely of capital expenditures, primarily for server and office equipment.

Cash used in investing activities in 2011 was $3.4 million, primarily consisting of capital expenditures, primarily for server equipment, office equipment and capitalized website development costs.

Cash used in investing activities in 2010 was $1.2 million, primarily consisting of capital expenditures, primarily for server and office equipment.

Cash used in investing activities in 2009 was $2.7 million, consisting of capital expenditures of $0.7 million, primarily for server equipment and office equipment, and $1.9 million net cash paid ($3.3 million gross cash paid less $1.4 million cash acquired) for certain acquired assets and liabilities of Bigstock.

Financing Activities

We have historically made monthly distributions to our members typically equaling the cash in excess of that required for general working capital. In connection with the Reorganization, these distributions will cease, with the exception of a final distribution to members immediately prior to the Reorganization. We recently entered into a term loan facility, which will be used to fund our operations prior to the receipt of the proceeds from this offering and until additional cash flow from operations has been generated following this offering.

In the six months ended June 30, 2012 and 2011, and the years ended December 31, 2011, 2010 and 2009, cash used in financing activities was $15.2 million, $19.5 million, $28.6 million, $25.9 million and $20.5 million, respectively, consisting entirely of distributions to members.

Contractual Obligations and Commitments

We lease office facilities in New York, New York, under operating lease agreements that expire from 2013 to 2015. Certain lease agreements provide for rental payments that increase on a graduated basis while other lease agreements provide for fixed rental payments over the lease terms. We recognize rent expense on a straight-line basis over the lease periods. We also have various co-location agreements with third-party hosting facilities that expire in 2012 and 2013. We anticipate leasing additional office space and increasing our co-location facilities, consistent with our historical business model. We do not have any debt or material capital lease obligations, and our property, equipment and software have been purchased primarily with cash. Our future minimum payments under non-cancelable operating leases and purchase obligations are as follows as of December 31, 2011:

	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
			(in thousands)		
Operating lease obligations	$ 2,653	$ 1,074	$ 1,397	$ 182	$ —
Co-location obligations	462	264	198	—	—
Purchase obligations	1,664	1,490	174	—	$ —
Total	$ 4,779	$ 2,828	$ 1,769	$ 182	$ —

We expanded our office facilities in our current location effective March 21, 2012 under an operating lease agreement that expires in November 2013. Additionally, we expanded our co-location agreements with third-party hosting facilities due to our business growth and entered into a new software license agreement to accommodate our business growth, which agreements expire in 2013 and 2014. With respect to these commitments entered into in the six months ended June 30, 2012, the incremental increase in our less than one year contractual obligations and commitments was offset by fewer commitment obligations and remained flat and our one to three year contractual obligations and commitments had an incremental increase of $0.3 million. We also enter into contractual arrangements under which we agree to provide indemnification of varying scope and terms to customers with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements for damages directly attributable to a breach by us. We are not responsible for any damages, costs, or losses arising as a result of the modifications made by the customer, or the context in which an image is used. The standard maximum aggregate obligation and liability to any one customer for all claims is limited to $10,000. We offer certain of our customers greater levels of indemnification, including unlimited indemnification. We have experienced nominal losses to date as a result of the indemnification we offer and, as such, our reserves for indemnification-related losses are also nominal. We believe that we have the appropriate insurance coverage in place to adequately cover such indemnification obligations, if necessary.

Off-Balance Sheet Arrangements

As of December 31, 2009, 2010 and 2011, and as of June 30, 2012, we did not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires our management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. We evaluate our significant estimates on an ongoing basis, including, but not limited to, estimates related to goodwill, intangibles, equity-based compensation, income tax provisions and certain non-income tax accruals. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

We believe that the assumptions and estimates associated with our revenue recognition, allowance for doubtful accounts, stock based compensation, accounting for income taxes, goodwill and intangible assets and advertising costs have the greatest potential impact on our financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Emerging Growth Company

Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. However, we are choosing to opt out of any extended transition period, and as a result we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Revenue Recognition

All revenue, net of refunds, is generated from the license of digital content through subscription or usage based purchase options. These purchase options include: subscription, On Demand, Pay As You Go, which was introduced in July 2011, and credit packs. We recognize revenue when the following four basic criteria are met: there is persuasive evidence of an arrangement; performance or delivery of services has occurred; the sales price is fixed or determinable; and collectability is reasonably assured. We consider persuasive evidence of an arrangement to be an electronic order form, or a signed contract, which contains the fixed pricing terms. Performance or delivery is considered to have occurred upon either the ratable passage of time over the contract period, a usage basis or upon the expiration of a contract period for which there are unused downloads or credits. Collectability is reasonably assured since substantially all of our customers purchase products by making electronic payments at the time of a transaction with a credit card. We established a chargeback allowance based on factors surrounding historical credit card chargeback trends and other information. As of December 31, 2010 and 2011, and June 30, 2012, we recorded a chargeback allowance of $0.1 million as of each period, which is included in other liabilities. Collectability is assessed for customers who pay on credit based on a credit evaluation for new customers and transaction history with existing customers. We established a bad debt allowance of $0.3 million as of December 31, 2011 and June 30, 2012. There was no need for a bad debt allowance as of December 31, 2010. Any cash received in advance of revenue recognition is recorded as deferred revenue.

Subscription plans range in length from thirty days to one year. Subscription plan revenues are recognized on a straight-line basis using a daily convention method over the plan term. On Demand plans are for a one-year term and permit the customer to download up to a fixed quantity of images. On Demand revenues are recognized at the time the customer downloads the digital content on an image by image basis. Revenue related to unused image downloads, if any, is recognized in full at the end of the plan term. Pay As You Go plans provide for individual image downloads. We recognize revenue as the customer downloads images. Credit-pack plans are for a one-year term and provide for the customer to purchase a fixed number of credits which can then be utilized to download images. The number of credits utilized for each download will depend on the image size and format. Credit-pack revenues are recognized based on customer usage on a per credit basis as images are downloaded. Revenue related to unused credits, if any, is recognized in full at the end of the plan term. Most plans automatically renew at the end of the plan term unless the customer elects not to renew. We recognize revenues from our four types of plans on a gross basis in accordance with the authoritative guidance on principal agent considerations, as we are the primary obligor in the arrangement, we have latitude in establishing the product's price, we perform a detailed review of the digital content before accepting it into our library to ensure it is of high quality before it may be purchased by our customers, we can reject contributor's images in our sole discretion and we have credit risk.

Customers typically pay in advance (or upon commencement of term) via credit card, wire or check. Fees paid or invoiced in advance are deferred and recognized as described above. Customers that do not pay in advance are invoiced and are required to make payment under standard credit terms. We do not generally offer refunds or the right of return to our customers. There are situations in which a customer may receive a refund which is determined on a case-by-case basis. As we grow our direct sales and custom accounts revenue, a larger percentage of our revenue will be invoiced and collected on credit terms.

We also license digital content to customers through third party resellers. We contract with third party resellers around the world to access markets where we do not have a significant presence. Third party resellers sell our products directly to end-user customers and remit a fixed amount to us based on the type of plan sold. The terms of the reseller program indicate that the third party reseller is the primary obligor to the end-user customer and bears the risks and rewards as principal in the transaction. In assessing whether our revenue should be reported on a gross or net basis with respect to our reseller program, we followed the authoritative guidance in ASC 605-45 *Principal Agent Considerations*. We recognize revenue on a net basis in accordance with the type of plan sold, consistent with the plan descriptions above. We generally do not offer refunds or the right of return to resellers.

Allowance for Doubtful Accounts

Our accounts receivable are customer obligations due under normal trade terms, carried at their face value less an allowance for doubtful accounts if required. We determine our allowance for doubtful accounts based on the evaluation of the aging of our accounts receivable and on a customer-by-customer analysis of our high-risk customers. Our reserves contemplate our historical loss rate on receivables, specific customer situations and the economic environments in which we operate. As of December 31, 2010, we determined there was no allowance needed. As of December 31, 2011 and June 30, 2012, we recorded an allowance for doubtful accounts of $0.3 million for both periods.

Equity-Based Compensation

Since June 7, 2007, we have been organized as a limited liability company. Beginning in 2011, we granted equity rights similar to options under our VAR Plan. Such VAR grants have an exercise price, a vesting period and an expiration date, in addition to other terms similar to typical equity option grant terms. For the purposes of this registration statement and the compensation disclosures in particular, the terms VAR and option will both be referred to as "grants." The VAR grants are subject to a time-based vesting requirement and a condition that a change of control occur for a payment to trigger with respect to

the VAR grants. In connection with the Reorganization, the VAR grants will be exchanged for options to purchase shares of common stock of Shutterstock, Inc. with only a time-based vesting requirement, which will be granted pursuant to our 2012 Omnibus Equity Incentive Plan.

We measure and recognize equity-based compensation expense for all equity-based payment awards made to employees based on estimated fair values. The value portion of the award that is ultimately expected to vest is recognized as expense over the requisite service period. For awards with a change of control condition, an evaluation is made at the grant date and future periods as to the likelihood of the condition being met. Compensation expense is adjusted in future periods for subsequent changes in the expected outcome of the change of control conditions until the vesting date. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Determining the fair value of stock-based awards at the grant date requires judgment. We use the Black-Scholes option-pricing model to determine the fair value of grants. The determination of the grant date fair value of grants using an option-pricing model is affected by our estimated common stock fair value as well as assumptions regarding a number of other complex and subjective variables. These variables include the fair value of our common stock, our expected stock price volatility over the expected term of the options, stock option exercise and cancellation behaviors, risk-free interest rates, and expected dividends, which are estimated as follows:

- *Fair Value of Our Common Stock.* Because our stock is not publicly traded, we must estimate the fair value of common stock, as discussed in "Common Stock Valuations" below.

- *Expected Term.* The expected term was estimated using the simplified method allowed under SEC guidance.

- *Volatility.* As we do not have a trading history for our common stock, the expected stock price volatility for our common stock was estimated by taking the average historic price volatility for industry peers based on daily price observations over a period equivalent to the expected term of the stock option grants. Industry peers consist of several public companies similar in size, stage of life cycle and financial leverage. We did not rely on implied volatilities of traded options in our industry peers' common stock because the volume of activity was relatively low. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.

- *Risk-free Interest Rate.* The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the options for each option group.

- *Dividend Yield.* Prior to this offering, while we were structured as a limited liability company, we historically paid cash dividends or distributions to our members. Once we complete this offering, we do not intend to pay cash dividends or distributions in the foreseeable future. Consequently, we used an expected dividend yield of zero.

If any of the assumptions used in the Black-Scholes model changes significantly, stock-based compensation for future awards may differ materially compared with the awards granted previously.

The following table presents the weighted average assumptions used to estimate the fair value of grants during 2011 and for the six months ended June 30, 2012:

	Year Ended December 31, 2011	Six Months Ended June 30, 2012
Expected term (in years)	5.5–6.6	5.2–5.8
Volatility	44%– 47%	49%
Risk-free interest rate	1.4%–2.9%	1.0%–1.6%
Dividend yield	0%	0%

Based upon an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus), the aggregate intrinsic value of outstanding options to purchase shares of our common stock as of June 30, 2012 was $0.

Common Stock Valuations

The fair value of the common stock underlying our grants was determined by our board of managers (referred to herein as our board of directors) or the compensation committee of our board of directors, which intended all grants to be exercisable at a price per share not less than the per share fair market value of our common stock underlying those grants on the date of grant. The valuation of our common stock on each grant date was determined by our board of directors in part based on independent third-party valuations effective as of August 17, 2010, February 18, 2011, December 15, 2011, April 15, 2012, June 15, 2012 and September 17, 2012 and also based on the significant experience of our board of directors in valuing private companies, as well as the board of directors' knowledge of the financial performance and potential performance of the Company. The assumptions used in the third party valuations were based in part on future expectations of our business, including financial projections, combined with management's estimates of other factors that might impact our future financial performance. Following our decision to consider an initial public offering, the third-party valuation reports also took into account the Company's potential value upon an initial public offering. In the absence of a public trading market, our board of directors, with input from management and following a review of such valuation reports, exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of our common stock as of the date of each grant as well as the appropriate exercise price, including the following factors:

- our operating and financial performance;
- current business conditions and projections;
- the hiring of key personnel;
- our history and the introduction of new functionality and services and expanded product offerings;
- our stage of development;
- the likelihood of achieving a liquidity event for the shares of common stock underlying these stock options, such as an initial public offering, given prevailing market conditions;
- any adjustment necessary to recognize a lack of marketability for our common stock;
- the market performance of comparable publicly traded companies;
- the U.S. and global capital market conditions; and
- the independent third party valuations.

We made grants with the following exercise prices between January 1, 2010 and the date of this prospectus:

Grant Dates	Number of Shares Underlying Grants	Exercise Price Per Share	Common Stock Fair Value Per Share at Grant Date
November 2010[(1)]	75,000	$ 12.50	$ 9.32
April 2011	485,750	14.17	11.33
June 2011	285,000	15.00	11.33
July 2011	55,000	15.00	11.33
August 2011	40,000	15.00	11.33
October 2011	157,500	16.00	11.33
December 2011	272,250	17.00	16.67
March 2012	151,500	17.50	16.67
April 2012	20,000	17.50	16.67
May 8-28, 2012	104,750	18.67	18.67
May 30, 2012	1,000	18.67	18.67
June 4-11, 2012	4,250	18.67	18.67
June 18-25, 2012	30,000	20.00	20.00
September 2012	52,750	20.34	20.34

(1) Initial grant issued as a profits interest prior to the institution of the VAR Plan. Such interest was converted to a VAR grant with pre-existing terms upon creation of the VAR Plan in April 2011.

In order to determine the fair value of our common stock underlying option grants, we first determined our business enterprise value, or BEV, and then allocated a portion of the BEV to each option grant with the assistance of our third party valuation specialist. Our BEV was estimated using the income approach using the discounted cash flow method, or DCF. We also considered the market-based approach using the comparable company method to check the reasonableness of the DCF value. The DCF method estimates enterprise value based on the estimated present value of future net cash flows the business is expected to generate over a forecasted period and an estimate of the present value of cash flows beyond that period, which is referred to as terminal value. The estimated present value is calculated using a discount rate known as the weighted average cost of capital, which accounts for the time value of money and the appropriate degree of risks inherent in the business. The market-based approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. These multiples are then applied to our financial metrics to derive a range of indicated values. Our indicated BEV at each valuation date was allocated to the shares of common stock. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies.

The third-party valuations effective as of August 17, 2010, February 18, 2011, December 15, 2011, April 15, 2012, June 15, 2012 and September 17, 2012 all valued our business as a going concern using the discounted cash flow method and considered the comparable company method to check the reasonableness of the determined value, all as set forth in greater detail in the preceding paragraph. The discount rate used in each third-party valuation was 15% and was determined to be equal to an estimate of our weighted average cost of capital, or "WACC," using the CAPM approach. The third-party valuation effective as of December 15, 2011 also considered our potential value upon an initial public offering, subject to discounts relating to initial public offering trends in related industries and the projected timing of this offering. To calculate the value of our business as of December 15, 2011, the third-party valuation assigned a 60% weight to our discounted cash flow valuation and a 40% weight to the valuation based on what we believed our potential initial public offering value would be. The potential initial public offering value was weighted lower than the discounted cash flow value based on the following: (a) at the valuation

date, we had yet to issue any audited financials; (b) at the valuation date, it was uncertain when we would file our initial registration statement on Form S-1 with the SEC in anticipation of an offering and (c) general market conditions for initial public offerings. Similarly, the third-party valuations effective as of April 15, 2012, June 15, 2012 and September 17, 2012 considered our potential value upon an initial public offering, subject to a discount relating to the projected timing of this offering. To calculate the value of our business as of April 15, 2012, the third-party valuation assigned a 25% weight to our discounted cash flow valuation, a 35% weight to our guideline company method valuation and a 40% weight to our potential initial public offering value. The valuation based on our potential initial public offering value was weighted lower than the collective discounted cash flow and guideline company value based on the following: (a) at the valuation date, we had yet to issue any audited financials; (b) at the valuation date, it was uncertain when we would file our initial registration statement on Form S-1 with the SEC in anticipation of our initial public offering and (c) general market conditions for initial public offerings. To calculate the value of our business as of June 15, 2012, the third-party valuation assigned a 10% weight to our discounted cash flow valuation, a 20% weight to our guideline company method valuation and a 70% weight to our potential initial public offering value. The weight assigned to our potential initial public offering value increased by 30% in the June 15, 2012 valuation as a result of our issuance of audited financials and the filing of our initial registration statement on Form S-1 with the SEC, which demonstrated an increased probability of an initial public offering. To calculate the value of our business as of September 17, 2012, the third-party valuation assigned a 2.5% weight to our discounted cash flow valuation, a 7.5% weight to our guideline company method valuation and a 90% weight to our potential initial public offering value. The weight assigned to our potential initial public offering value increased by 20% in the September 17, 2012 valuation as a result of the filing of amendments to our registration statement on Form S-1 with the SEC and certain other factors, which demonstrated an increased probability of an initial public offering.

Significant factors considered by our board of directors or the compensation committee of our board of directors in determining the fair value of our common stock and exercise price at each grant date include:

November 2010. Based on a review of our key financial and business information and developments, the introduction of new functionality and certain key operating metrics, as well as the hiring of our President and Chief Operating Officer, and continued growth in our customer base and revenue, our board of directors established, based on its own independent determination, the fair market value to be $9.32 per share effective for the grants made in November 2010 and, consistent with the desire of the board of directors at that time to grant options with a per share exercise price at a premium to fair market value on the date of grant, approved grants with an exercise price of $12.50 per share. Our board of directors did not consider the probability of completing an initial public offering, completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

April 2011. A third party valuation commissioned by us, effective as of February 18, 2011, determined the fair market value to be $11.33 per share. Based on a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the hiring of our Chief Technology Officer, continued growth in our customer base and revenue, and growth in our image library, our board of directors determined that no event had occurred subsequent to the date of the February 18, 2011 valuation report that would materially affect the value of the Company as set forth in such valuation. Notwithstanding such determination, our board of directors also determined that it would be appropriate to have an exercise price that exceeded fair market value as an equitable adjustment with respect to grants made to prior grant recipients and, therefore, approved grants in April 2011 with an exercise price of $14.17 per share. Our board of directors did not consider the probability of completing an initial public offering, completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

June-August 2011. Based on the valuation effective as of February 18, 2011 that deemed fair market value to be $11.33 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the hiring of key management including our Chief Financial Officer, continued growth in our customer base and revenue, the growth in our image library, and the commencement of initial discussions regarding a potential initial public offering, our board of directors determined that no event had occurred subsequent to the date of the February 18, 2011 valuation report that would materially affect the value of the Company as set forth in such valuation. Notwithstanding such determination, our board of directors also determined that it would be appropriate to have an exercise price that exceeded fair market value as an equitable adjustment with respect to prior grants based on the same valuation and, therefore, approved grants in the period of June-August 2011 with an exercise price of $15.00 per share. Our board of directors did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

October 2011. Based on the valuation effective as of February 18, 2011 that deemed fair market value to be $11.33 per share a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, the initial release of our first mobile application, initial efforts to prepare for a potential initial public offering, our board of directors determined that no event had occurred subsequent to the date of the February 18, 2011 valuation report that would materially affect the value of the Company as set forth in such valuation. Notwithstanding such determination, our board of directors also determined that it would be appropriate to have an exercise price that exceeded fair market value as an equitable adjustment with respect to prior grants based on the same valuation and, therefore, approved grants with an exercise price of $16.00 per share. No precise weighting was assigned to the probability of completing an initial public offering, as preparations were at a preliminary stage. Our board of directors did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

December 2011. Based on the valuation effective as of February 18, 2011 that deemed fair market value to be $11.33 per share and a review of our key financial and business information and developments, particularly the introduction of new functionality and certain key operating metrics, as well as the achievement of our 2011 financial plan and the continued expansion of our customer base and revenue, and significant progress we made in our preparations for an initial public offering, our board of directors established, based on its own independent determination, the fair market value to be $16.67 per share effective for the grants made in December 2011 and, consistent with the desire of the board of directors at the time to grant options with a per share exercise price at a premium to fair market value on the date of grant, approved grants with an exercise price of $17.00 per share. No precise weighting was assigned to the probability of completing an initial public offering, as preparations were at a preliminary stage. Our board of directors did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

March-April 2012. Based on the valuation effective as of December 15, 2011 that deemed fair market value to be $16.67 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, an analysis of market value of competitors, and the expansion of our board of directors with the addition of four independent members, and progress we made in our preparations for an initial public offering, our board of directors determined that no event had occurred subsequent to the date of the December 15, 2011 valuation report that would materially affect the value of the Company as set forth in such valuation. Notwithstanding such determination, our board of directors

also determined that it would be appropriate to have an exercise price that exceeded fair market value as an equitable adjustment with respect to prior grants based on the same valuation and, therefore, approved grants with an exercise price of $17.50 per share. Our board of directors did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

May 8-28, 2012. In connection with the grants made between May 8 and May 28, 2012, we received a draft valuation report, to be effective as of April 15, 2012, with a fair market value determination of $18.67 per share, which we expected to be finalized shortly thereafter. On each grant date between May 8 and May 28, 2012, our board of directors or our compensation committee, as applicable, based on that valuation report, determined the fair market value to be $18.67 per share. Our board of directors or our compensation committee, as applicable determined not to grant VARs with an exercise price that exceeded fair market value, and, therefore, approved grants with an exercise price of $18.67 per share. Our board of directors or our compensation committee, as applicable did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

May 30, 2012. Based on the valuation effective as of April 15, 2012 that determined fair market value to be $18.67 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, and the filing of our registration statement for our initial public offering, our compensation committee determined that no event had occurred subsequent to the date of the April 15, 2012 valuation report that would materially affect the value of the Company as set forth in such valuation. Our compensation committee determined not to grant VARs with an exercise price that exceeded fair market value, and, therefore, approved grants with an exercise price of $18.67 per share. Our compensation committee did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

June 4-11, 2012. Based on the valuation effective as of April 15, 2012 that determined fair market value to be $18.67 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, our compensation committee determined that no event had occurred subsequent to the date of the April 15, 2012 valuation report that would materially affect the value of the Company as set forth in such valuation. Our compensation committee determined not to grant VARs with an exercise price that exceeded fair market value, and, therefore, approved grants with an exercise price of $18.67 per share. Our compensation committee did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

June 18-25, 2012. On May 30, 2012, our compensation committee authorized grants with an exercise price of $18.67 to two individuals who had not yet commenced employment, with such grants to be effective upon their respective employment start dates. Based on the valuation effective as of June 15, 2012 that determined fair market value to be $20.00 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, our board of directors has determined that on the respective employment start dates of June 18, 2012 and June 25, 2012 for the two employees, the fair market value per share of our common stock was $20.00. Our board of directors did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term. Our board of directors has taken action to increase the per share exercise price for each of these grants to $20.00.

September 2012. Based on the valuation effective as of September 17, 2012 that determined fair market value to be $20.34 per share and a review of our key financial and business information and developments, including the introduction of new functionality and certain key operating metrics, as well as the continued growth in our revenue and customer base, our compensation committee determined that no event had occurred subsequent to the date of the September 17, 2012 valuation report that would materially affect the value of the Company as set forth in such valuation. Our compensation committee determined not to grant VARs with an exercise price that exceeded fair market value, and, therefore, approved grants with an exercise price of $20.34 per share. Our compensation committee did not consider the probability of completing a sale or merger or completing a dissolution or liquidation when determining the fair value and exercise price, as those scenarios were not considered likely in the near term.

Anticipated Offering Price Range

In late September 2012, in consultation with the underwriters, we determined our anticipated offering price range to be $13.00 to $15.00 per share as set forth on the cover page of this preliminary prospectus. As of our most recent VAR grant date, the compensation committee of our board of directors determined the fair value of our common stock to be $20.34 per share. This determination was based on the contemporaneous valuation effective as of September 17, 2012 and other factors described above. The anticipated offering price was determined by the Company in consultation with our underwriters based on several factors, including the Company's historical and current financial performance, its expected performance following the consummation of this offering, the performance of other recent technology IPOs as well as a review of market discounts utilized in those offerings. We believe the difference between the fair value of our common stock on the most recent VAR grant dates, as determined by our board of directors or our compensation committee, and the anticipated offering price range determined in consultation with the underwriters, reflects a standard market discount for an initial public offering and further note that the assumptions utilized in determining the enterprise valuation of the Company were not materially different from those used in determining our estimated IPO price range. The final initial public offering price will be determined by negotiations between us and the underwriters and, as further described in "Pricing of the Offering" under "Underwriting," may not be within the anticipated range noted above.

Accounting for Income Taxes

Historically, we filed our income tax returns as a limited liability company, and were taxed as a partnership for federal and state income tax purposes. We plan to reorganize from a limited liability company to a Delaware corporation prior to the effectiveness of the registration statement of which this prospectus is a part. We currently recognize no federal and state income taxes, as the members of the LLC, and not our company itself, are subject to income tax on their allocated share of our earnings. We are subject to taxation on allocable portions of independent net income and other taxes based on various methodologies employed by taxing authorities in certain localities. We generally make monthly distributions to our members under the terms of the LLC's operating agreement, subject to our operating cash needs.

We account for unrecognized tax benefits using a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. We record an income tax liability, if any, for the difference between the benefit recognized and measured and the tax position taken or expected to be taken on our tax returns. To the extent that the assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. The reserves are adjusted in light of changing facts and circumstances, such as the outcome of a tax audit. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate. During each of the years ended

December 31, 2009 and 2010, and the six months ended June 30, 2011, respectively, liabilities for unrecognized income tax benefits was $0. During the year ended December 31, 2011 and the six months ended June 30, 2012, we recorded an unrecognized income tax liability in the amount of $0.1 million.

We recognize interest accrued related to unrecognized tax benefits in interest expense and tax penalties in income tax expense in the consolidated statements of operations. We did not accrue or pay any interest or penalties related to unrecognized income tax benefits for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively.

As a result of the Reorganization, our earnings will be subject to federal, state and additional city income taxes at a combined statutory rate of approximately 39.4%. The actual combined rate will depend on many factors and may be much higher or lower than this assumed rate. However, we will no longer be subject to the New York City unincorporated business tax. See Note 7 to our Consolidated Financial Statements included elsewhere in this prospectus.

We are subject to requirements for non-income taxes, including payroll, value added and sales-based taxes. Where appropriate, we have made accruals for these matters, which are reflected in our consolidated financial statements.

Goodwill and Intangible Assets

Goodwill and intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but are instead tested for impairment at least annually on October 1 of each fiscal year or more frequently if events occur or circumstances exist that indicate that the fair value of a reporting unit may be below its carrying value. Goodwill has been allocated to our reporting units, for the purposes of preparing our impairment analyses, based on a specific identification basis. In September 2011, the FASB issued authoritative guidance which gives entities the option of performing a qualitative assessment of goodwill prior to calculating the fair value of a reporting unit in "step 1" of the goodwill impairment test. If entities determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test is required to be performed. We adopted this newly issued authoritative guidance effective October 1, 2011. Among the factors included in our qualitative assessment as of October 1, 2011 were general economic conditions and the competitive environment, actual and expected financial performance, including consideration of our revenue growth and improved operating results year-over-year, forward-looking business measurements, external market conditions, and other relevant entity-specific events. Based on the results of the qualitative assessment as of October 1, 2011, we concluded that it is more likely than not that the fair value of its reporting unit is more than its carrying amount, and therefore performance of the two-step quantitative impairment test was not necessary.

Based on a combination of factors that occurred in the second quarter of 2012 within our Bigstockphoto, Inc., or Bigstock, reporting unit, primarily a change in financial projections and business strategy including the re-allocation of certain technology-related personnel to a different reporting unit and a shift in marketing strategy, management concluded that a triggering event had occurred indicating potential impairment in the Bigstock reporting unit, and accordingly performed a step 1 impairment test as of June 30, 2012 based on ASC 350, *Intangibles—Goodwill and Other*. We estimated the fair value of the reporting unit using a discounted cash flow projection (also referred to as the income approach). The income approach uses a reporting unit's projection of estimated future operating results and cash flows discounted to a net present value. Significant assumptions we utilized in the income approach included estimated weighted-average cost of capital from a market participant point of view, projected revenues and operating expenditures which take into account expected operating margin efficiencies gained through cost reduction strategies, projected capital expenditures, and projected working capital changes. The projections are based on management's best estimates of economic and market conditions over the projected period. We base our fair value estimates on assumptions we believe to be reasonable, but which

are unpredictable and inherently uncertain. Future changes to the projected financial information or other significant assumptions including the weighted-average cost of capital could have a negative result on the Bigstock reporting unit's fair value. As a result of performing the step 1 test for goodwill impairment, management concluded that the fair value of the Bigstock reporting unit exceeded the carrying value. Therefore, there was no requirement to perform step 2 of the analysis and it was concluded that there was no impairment of goodwill for the Bigstock reporting unit. If the current fair value estimate declined by as much as 20%, the estimated fair value of the Bigstock reporting unit would still exceed the carrying value. There were no impairments of goodwill in any of the periods presented in the consolidated financial statements. Long-lived assets held in the Bigstock reporting unit were also tested for recoverability and no impairment was identified.

Advertising Costs

We expense the cost of advertising and promoting our products as incurred. The majority of our advertising costs are related to search engine marketing and other online advertising and, to a lesser extent, tradeshow participation, print, advertising, affiliate marketing and general branding and market awareness efforts.

Internal Control Over Financial Reporting

In connection with the audit of our financial statements as of and for the year ended December 31, 2011, we and our independent registered public accounting firm identified a material weakness in internal control over financial reporting with respect to our tax compliance process. Specifically, it was determined that we did not have adequate procedures and controls to appropriately comply with, and account for, certain non-income tax regulations. These non-income tax issues related to underpayment of international consumption tax, sales and use tax and royalty withholdings compliance. A material weakness is defined as a significant deficiency, or a combination of significant deficiencies, that results in a reasonable possibility that a material misstatement of our financial statements will not be prevented by our internal control over financial reporting. A significant deficiency means a control deficiency, or a combination of control deficiencies, that adversely affects our ability to initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of our financial statements that is more than inconsequential will not be prevented or detected by our internal control over financial reporting.

We are working to remediate the material weakness. We have begun taking numerous steps and plan to take additional steps to remediate the underlying causes of the material weakness, primarily through a search for a tax specialist and updating our systems in order to collect the necessary data and taxes to comply with our required tax compliance processes. We intend to hire a tax specialist with the appropriate knowledge and ability to fulfill our obligation to comply with the accounting and reporting requirements applicable to public companies. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating this material weakness. If we are unable to successfully remediate this material weakness, it could harm our operating results, cause us to fail to meet our SEC reporting obligations or applicable stock exchange listing requirements on a timely basis, cause our stock price to be adversely affected or result in inaccurate financial reporting or material misstatements in our annual or interim financial statements.

Quantitative and Qualitative Disclosure About Market Risk

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

Interest Rate Fluctuation Risk

Our cash and cash equivalents consist of cash and money market accounts. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because our cash and cash equivalents have a relatively short maturity, our portfolio's fair value is not particularly sensitive to interest rate changes. We determined that the nominal difference in basis points for investing our cash and cash equivalents in longer-term investments did not warrant a change in our investment strategy. In future periods, we will continue to evaluate our investment policy in order to ensure that we continue to meet our overall objectives.

In addition, on September 21, 2012, we entered into a loan and security agreement that provides for a $12.0 million term loan facility. The term loan bears interest, at our option, at either the prime rate minus 0.75% or at LIBOR plus 2.00%. As of September 25, 2012, we had $12.0 million in outstanding borrowings under the term loan facility. We do not believe an increase in interest rates of 1 percentage point would have a material effect on interest expense, and therefore we do not expect our operating results or cash flows to be materially affected to any degree by a sudden change in market interest rates.

Foreign Currency Exchange Risk

Revenues derived from customers residing outside North America as a percentage of total revenue was approximately 65% in each of 2009, 2010 and 2011, and in the six months ended June 30, 2011 and 2012. Our sales to international customers are denominated in multiple currencies, including but not limited to the U.S. Dollar, the Euro, the British Pound and the Yen. Revenue denominated in foreign currencies as a percentage of total revenue was approximately 35% in each of 2009, 2010 and 2011 and in the six months ended June 30, 2011 and 2012. We have foreign currency risks related to foreign-currency denominated revenues. All amounts owed and paid to our foreign contributors are denominated and paid in U.S. Dollars. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. Dollars, will negatively affect our revenue and other operating results as expressed in U.S. Dollars. Based on our 2011 and six months ended June 30, 2012 foreign currency denominated revenue, a 10% change in the exchange rate of the U.S. Dollar against all foreign currency denominated revenues would result in an approximately 4% and 3% impact on our revenue, respectively.

Because we have determined our functional currency to be the U.S. Dollar, we have not experienced material fluctuations in our net income as a result of translation gains or losses. During 2009, 2010 and 2011 and in the six months ended June 30, 2011 and 2012, our foreign currency transaction gains and losses were immaterial. At this time we do not, but we may in the future, enter into derivatives or other financial instruments in order to hedge our foreign currency exchange risk. It is difficult to predict the impact hedging activities would have on our results of operations.

Inflation Risk

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

Recently Issued and Adopted Accounting Pronouncements

On May 12, 2011, the Financial Accounting Standards Board, or the FASB, issued amended authoritative guidance covering fair value measurements and disclosures. The amended guidance includes provisions for (1) the application of concepts of "highest and best use" and "valuation premises", (2) an option to measure groups of offsetting assets and liabilities on a net basis, (3) incorporation of certain premiums and discounts in fair value measurements, and (4) measurement of the fair value of certain instruments classified in shareholders' equity. The amended guidance is effective for interim and annual

periods beginning after December 15, 2011. We adopted this authoritative guidance effective January 1, 2012. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In December 2011, the FASB amended its guidance for disclosures about offsetting assets and liabilities. This guidance is intended to provide enhanced disclosures that will enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities within the scope of this update. The amendments require enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. An entity is required to apply this amendment for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. This guidance relates specifically to disclosures and its adoption is not expected to have a material impact on our consolidated financial statements.

In September 2011, the FASB amended its guidance for performance of goodwill impairment testing in order to simplify how entities test goodwill for impairment. The amendment allows entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a greater than 50 percent likelihood exists that the fair value is less than the carrying amount then the two-step goodwill impairment test must be performed. The guidance provided by this update becomes effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, but early adoption is permitted. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued. We adopted the authoritative guidance effective October 1, 2011 and applied the guidance to the annual goodwill impairment assessment during the fourth quarter of 2011. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In June 2011, the FASB amended its guidance on the presentation of comprehensive income, which is effective for annual reporting periods beginning after December 15, 2011. In December 2011, the FASB deferred the requirement to present components of reclassifications of other comprehensive income on the face of the income statement that had previously been included in the June 2011 amended standard. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. The adoption of this guidance did not have a material impact on our consolidated financial statements as we currently do not have components of comprehensive income and, as a result, the Company's net income is equal to its comprehensive income.

In May 2011, the FASB amended its guidance to converge fair value measurement and disclosure requirements in U.S. GAAP with International Financial Reporting Standards, or IFRS. This amendment addresses fair value measurement and disclosure requirements for the purpose of providing consistency and common meaning between U.S. GAAP and IFRS. This amendment is not intended to change the application of the requirements but primarily changes the wording to describe many of the requirements in U.S. GAAP for measuring fair value or for disclosing information about fair value measurements. This guidance is effective for periods beginning after December 15, 2011. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In February 2010, the FASB issued amended guidance on certain recognition and disclosure requirements for subsequent events. The amended guidance requires an entity that is a filer with the SEC to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption of this standard did not have a material impact on our consolidated financial statements.

In January 2010, the FASB issued amended guidance on fair value measurements and disclosures. The new guidance requires additional disclosures regarding fair value measurements, amends disclosures about postretirement benefit plan assets, and provides clarification regarding the level of disaggregation of fair value disclosures by investment class. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for certain Level 3 activity disclosure requirements that will be effective for reporting periods beginning after December 15, 2010. Accordingly, we adopted this in 2010, except for the additional Level 3 requirements, which were adopted in 2011. Level 3 assets and liabilities are those whose fair market value inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB and SEC and/or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

BUSINESS

Overview

Shutterstock operates an industry-leading global marketplace for commercial digital imagery. Commercial digital imagery consists of licensed photographs, illustrations and videos that companies use in their visual communications, such as websites, digital and print marketing materials, corporate communications, books, publications and video content. Demand for commercial digital imagery comes primarily from businesses, marketing agencies and media organizations. We estimate that the market for pre-shot commercial digital imagery will grow from approximately $4 billion in 2011 to approximately $6 billion in 2016, based on a study conducted on our behalf by L.E.K. There has been a significant increase in the demand for commercial digital imagery as rapid technological advances have reduced the cost and effort required to create, license and use images. Our global online marketplace brings together users of commercial digital imagery with image creators from around the world. More than 550,000 active, paying users contributed to revenue in 2011, representing an increase of 71% compared to the prior year. More than 35,000 approved contributors make their images available in our library, which has grown to more than 20 million images. This makes our library one of the largest of its kind, and, in the twelve months ended December 31, 2011, we delivered more than 58 million paid downloads (including both commercial and editorial images) to our customers. We believe that we delivered the highest volume of commercial image downloads in this period of any single brand in our industry.

Our online marketplace provides a freely searchable library of commercial digital images that our users can pay to license, download and incorporate into their work. We compensate image contributors for each of their images that is downloaded. This marketplace model allows us to offer users a disruptive, low-cost and easy-to-use alternative to the time-consuming and expensive traditional methods of obtaining commercial imagery. It enables millions of small and medium-sized businesses, or SMBs, to affordably access commercial digital images, and allows larger enterprises and media agencies to more easily and efficiently satisfy their increasing image needs.

We are the beneficiaries of significant network effects. As we have grown, our broadening audience of paying users has attracted more images from contributors. This increased selection of images has in turn helped to attract more paying users. The success of this network effect is facilitated by the trust that users place in Shutterstock to maintain the integrity of our branded marketplace. Every contributor in our marketplace and every image we make available must pass our proprietary screening process and meet our standards of quality. In addition, and unlike the significant majority of free images available online, our rigorous vetting process enables us to provide confidence and indemnification to our users that the images in our library have been appropriately licensed for commercial or editorial use.

We make image licensing affordable, simple and easy in order to encourage a high volume of purchases and downloads. Our customers' average cost per image is approximately $2.00. We are a pioneer of the subscription-based usage model in our industry, whereby subscribers can download and use a large number of images in their creative process without concern for the incremental cost of each download. A significant majority of our downloads come from subscription-based users, who contribute approximately half of our revenue. We also offer simple and easy-to-use On Demand purchase options for users with less consistent needs. As a result of our simple and affordable licensing models, we believe that we achieved the highest volume of commercial image downloads of any single brand in our industry in 2011. In addition to driving revenue, this high volume of download activity allows us to continually improve the quality and accuracy of our search algorithms, as well as to encourage the creation of new content to meet our users' needs.

Our revenue is diversified and predictable. More than 550,000 customers from more than 150 countries contributed to our revenue in 2011, with our top 25 customers in the aggregate accounting for less than 2% of our revenue. We have historically benefitted from a high degree of revenue retention from both subscription-based and On Demand customers. For example, in 2009, 2010 and 2011, we experienced year-to-year revenue retention of 82%, 96%, and 102%, respectively. This means that customers that

contributed to revenue in 2010 contributed, in the aggregate, 102% as much revenue in 2011 as they did in 2010. Customers typically pay us upfront and then use their downloads in a predictable pattern over time, which results in favorable cash flow characteristics and has historically added predictability and stability to our financial performance.

We have achieved significant growth since our marketplace was launched in 2003. In 2010 and 2011, we generated revenue of $83.0 million and $120.3 million, respectively, representing year-over-year growth of 35.8% and 45.0%, respectively. In 2010 and 2011, we generated Adjusted EBITDA of $21.8 million and $26.5 million, respectively, and Free Cash Flow of $27.6 million and $36.1 million, respectively. See "Summary Consolidated Historical and Unaudited Pro Forma Financial Data—Non-GAAP Financial Measures." In 2010 and 2011, our net income was $18.9 million and $21.9 million, respectively. We are a global business; in 2011, 34% of our revenue came from North America, and 66% came from the rest of the world.

Industry Overview: Commercial Digital Imagery

Images help businesses to communicate. Companies invest in imagery for the same reasons they invest in marketing, advertising and media production: to increase the impact, engagement and differentiation of their communications. From the smallest start-ups to the largest multinationals, companies pay to license photographs, videos and illustrations for use in print and digital marketing materials, corporate communications, external and internal websites, social networking sites, mobile applications, games and video. Imagery is also widely used in publishing books, eBooks, magazines and news articles. The demand for paid imagery in a commercial context comes primarily from:

- *Businesses:* Large corporations, small and medium-sized businesses and sole proprietorships that have marketing, communications and design needs;
- *Marketing Agencies:* Creative service providers such as advertising agencies, media agencies, graphic design firms, web design firms and freelance design professionals; and
- *Media Organizations:* Creators of print and digital content, from large publishers and broadcast companies to professional bloggers.

These professional users of imagery are extremely selective about where they source their images; images must be of high quality and must fulfill the licensing obligations necessary for use in a commercial context. In order to meet these requirements, commercial digital imagery is typically either specially commissioned or licensed from pre-shot image libraries. Pre-shot images are not created for a single, specific purpose at a user's expense; rather they are catalogued for review and selection by a range of potential users. Pre-shot images are generally considered a more affordable, less time-intensive substitute for commissioned imagery.

We estimate that the total market for commercial imagery was approximately $11 billion in 2011 and that it will grow to approximately $13 billion in 2016, based on a study conducted on our behalf in August 2012 by L.E.K. The commercial imagery market is comprised of custom imagery and stock imagery. Within the stock imagery market, L.E.K. defined three segments: the "traditional stock photography" segment, the "stock photography marketplace" segment and all other forms of stock imagery. The traditional segment is characterized by higher-touch customer relationships, negotiated image prices, and groups of professional photographers who create images exclusively for one agency, often on a salaried basis. The stock photography marketplace segment is characterized by self-serve ecommerce with simple, inexpensive licensing options and a large number of contributors from around the world. The remaining segment is comprised of all other forms of stock imagery, including stock illustrations, vectors, video, templates and fonts. Shutterstock has traditionally participated in the stock photography marketplace segment along with the market for other forms of stock imagery, including stock illustrations, vectors and video.

According to L.E.K., the market for stock imagery, or "pre-shot commercial digital imagery," will grow from approximately $4 billion in 2011 to approximately $6 billion by 2016. L.E.K. estimates that the

stock photography marketplace segment along with the market for all other forms of stock imagery will grow 15-20% annually to a total of more than $3.5 billion in 2016. In the same period, L.E.K. estimates that the traditional segment will remain stable at approximately $2.3 billion.

As the quality, quantity and awareness of pre-shot image licensing options continue to increase over time, we believe that pre-shot images will satisfy an increasing portion of the demand for custom commercial photography, which L.E.K. estimates to be a $7 billion market in 2016.

Since imagery is often a component of an advertising campaign or media production, the demand for commercial digital imagery is largely driven by the global marketing and publishing industries. In 2011, more than $631 billion was spent in the global advertising industry, according to IDC. In that same period, IBISWorld estimates that more than $379 billion was spent in the global publishing industry (including books, newspapers and magazines). We believe that disruptive technological trends are expanding the role of commercial digital imagery within these industries and driving growth in the demand and supply of images.

Disruptive Growth in Demand for Commercial Digital Imagery

Today, businesses are increasing their use of visual communications because the tools of communication and creativity are becoming easier and less expensive to use. For example, in the last five years, the number of public websites has grown 43% annually to more than 670 million, according to Netcraft. We expect this growth to continue. According to BIA/Kelsey, more than 32% of small and medium-sized U.S. businesses, or SMBs, surveyed do not yet have a website. As technology continues to democratize visual communication, we believe that more and more customers will come into the market for commercial digital imagery.

In addition to growth in the number of customers that can make use of licensed imagery, trends in the type and frequency of visual communications that customers produce are driving increased image demand per customer. For example, in addition to operating commercial websites, more businesses are using image-rich digital marketing and communication channels, including email marketing, blogging, digital video and display advertisements; BIA/Kelsey estimates that SMB advertising spend on online digital media will increase from $5.4 billion in 2010 to $16.6 billion in 2015, representing a compound annual growth rate of 25%. Since commercial digital imagery is one of several important components of online digital media, we anticipate that SMBs will increase their spend on commercial digital imagery as well; the visual and engaging forms of communication that they will seek to create will require more images per communication and more frequent communications per customer. Given the growing volume of images necessary to effectively communicate online, we believe that SMBs will be particularly likely to prefer efficient and affordable sources of commercial imagery.

The historical expense and complexity of procuring high-quality imagery once meant that it was affordable only for the largest of businesses. A commissioned shoot often cost thousands of dollars, while traditional pre-shot photos still typically cost hundreds of dollars. Today, the rapidly increasing availability of low-cost, commercial-quality digital imagery through online marketplaces is allowing businesses of all sizes to quickly search for, find, and download affordable visual content under simple licensing models. This has made it economically viable for millions of SMBs to use commercial digital images for the first time, and allows larger enterprises and media agencies to more easily and affordably satisfy their increasing demand for images.

The growth in image demand for use in print and web communications is being compounded by trends in mobile and tablet internet browsing. Just as traditional broadband penetration enabled bandwidth-intensive media like images to become increasingly popular on the internet, so is the spread of mobile broadband driving images and video to become increasingly common elements of the mobile web. Mobile devices are becoming increasingly visual, with high-resolution screens and touch interfaces that are driving an expectation of higher quality and more visually compelling mobile content. As trends in mobile

and tablet internet usage continue to drive demand for rich visual user experiences, we believe that there will be a resulting increase in demand for commercial digital imagery.

Disruptive Low-Cost Supply of Commercial Digital Imagery

Over the last several years there has been a dramatic increase in the number of people equipped to create high-quality digital imagery. Only a few years ago, the industry for commercial images relied on a small group of professionals who owned expensive equipment and could afford to pay high image development costs. Now, there are millions of professionals, semi-professionals and hobbyists who are able to capture, store and display high-quality digital images. With the proliferation of camera phones, social media and mobile broadband, people around the world are becoming increasingly accustomed to creating and consuming compelling imagery.

This change is being driven by rapid technological advances that are making the tools of creative production affordable to a much larger group of people. Most notably, affordable, high-quality digital cameras and video cameras are rapidly achieving mainstream adoption. For example, in 2010 more than 11.2 million digital SLR cameras were sold globally. Many were sold for less than $500, whereas the first digital SLR camera was not available until 1991 and cost more than $24,000. These digital cameras eliminate the marginal cost of image capture, which increases the number of images created per photographer. The editing and enhancing of digital images is seeing similar democratization; high-performance photo and video editing software is increasingly becoming easy and affordable enough to be used by non-professional photographers and videographers. In addition, the growing availability of broadband internet access around the world has made it easier for professionals and non-professionals to upload and deliver commercial-quality digital imagery to those who would pay to license it.

While substantially all commercial digital photographs that are consumed today have been created using a digital SLR camera, the image quality produced by smartphone cameras continues to improve. As advances in mobile photography continue to be introduced by smartphone manufacturers, we expect that the number of individuals equipped to create commercial digital imagery will continue to grow.

Increased Importance of Online Marketplaces

With the emergence of millions of new users and millions of new potential contributors, the global market for commercial digital imagery has become increasingly fragmented in both supply and demand. Online marketplaces for imagery use the disruptive power of the internet to enable these highly fragmented groups to interact with each other commercially; they encourage image submissions from hundreds of thousands of contributors around the world and then match the growing demand for commercial images with this increasingly available supply. The digital economics of online marketplaces enable affordable pricing that allows small and medium-sized businesses to participate in the market, and provide existing image buyers an alternative to the expensive and time-consuming processes of working with traditional image agencies or of commissioning custom images. By providing easy access to a wide range of low-cost, high-quality licensed images, and at the same time providing marketing, distribution and payment services for digital image creators, online marketplaces are becoming the centerpiece of a new dynamic in the market for commercial imagery.

Challenges in the Market for Commercial Digital Imagery

Challenges for Users

Even with the advent of websites capable of sourcing and providing commercial digital imagery, a large number of challenges remain for users:

- ***Limited selection.*** Many websites lack the broad and up-to-date content library required to satisfy the extensive variety of searches for digital imagery, themselves a reflection of the myriad requirements of business communications across industries and geographies.

- ***Difficulty in finding images quickly.*** Websites that do have a broad range of images often lack sophisticated tagging, search functionality and algorithms that enable users to find relevant images efficiently. An increased pace of image usage by customers means that many users of commercial imagery are under pressure to find a greater number of high-quality images faster.

- ***High price.*** Traditional image agencies that have migrated online typically charge more than $100 per high resolution image. Commissioning a custom image is even more expensive, often costing thousands or tens of thousands of dollars.

- ***Complex pricing.*** On many websites, image prices can vary widely depending on criteria such as image size, file format, intended use, download frequency and type of contributor. Furthermore, many sites denominate the price of their images in "credits" rather than cash pricing, making it difficult for users to evaluate how much they will actually pay for a given image. These complexities interfere with the creative process, adding an additional dimension beyond image relevance for users to consider during their image search process.

- ***Lack of commercial quality.*** Many websites and search engines, particularly those that host and display images for free, lack effective processes to ensure that images are of acceptable quality for use in a commercial setting; in other words, it can be difficult to find images with adequate aesthetic value that also have suitable technical qualities, including sufficient resolution, focus, lighting and composition.

- ***Need for appropriate licensing and legal protection.*** Complex copyright laws govern the use of images in a commercial context. Typically, images that are available for free online are not appropriately licensed for commercial use. Most websites that host and display images for free are not able to provide the trusted licensing assurances that come from closely evaluating all images that they make available. For example, most of these websites do not require a model release to be uploaded with each image that depicts a person. The need for appropriate image licensing has become more acute as the software to identify non-compliant imagery on the internet has become increasingly sophisticated, facilitating the monitoring of intellectual property rights. A growing number of users of commercial imagery require legal protections or indemnification from their content providers regarding proper licensing.

Challenges for Contributors

Creators of commercial digital imagery face significant obstacles to distributing their images to a large audience, discovering the kinds of content that customers demand, and monetizing their work efficiently, including:

- ***Limited distribution and marketing reach.*** Many digital image creators lack the resources to promote their content to the millions of individuals around the world who may be willing to pay for their images. Even if a contributor posts images on the web, it is expensive and difficult to generate meaningful traffic to the contributor's own website, especially when the content that a single contributor can offer represents a small fraction of the types of images a user might need.

- ***Lack of ecommerce capabilities.*** Many digital image creators lack the resources to establish the sophisticated, global ecommerce capabilities necessary to maximize their earnings. This is particularly true with respect to handling foreign languages, multiple currencies, diverse payment methods, customer support and fraud prevention.

- ***Cumbersome upload, tagging and approval processes.*** Contributors want to be able to upload and tag images quickly, easily and intuitively. Approval speed can also be important to a contributor, particularly for newsworthy or time-sensitive imagery.

- ***Inadequate feedback, tools and information.*** Digital image creators want to provide the content that users demand, but often lack the proper data, analytics and feedback to know what kind of content

will sell well. Many websites do not provide adequate tools or lack sufficient volume of user data to be able to help contributors manage their portfolio or improve the commercial relevance of the images they produce.

- ***Absence of community.*** As social media and social networks continue to evolve, digital image creators are increasingly seeking specialized online communities where they can learn from their peers and take satisfaction in sharing their work.

The Shutterstock Solution

Key Benefits for Our Users

- *Millions of high-quality images available for commercial use* — We provide a licensable digital content library of more than 20 million images and video clips, one of the largest libraries of its kind. In the twelve months ended December 31, 2011, we added an average of 1 million images per quarter. We source our content from over 35,000 approved image contributors in more than 125 countries and provide a broad, non-exclusive commercial or editorial license allowing customers to use an image in perpetuity in any geography or medium.

- *Superior search results* — We consider our proprietary search interface and algorithms to be intuitive and efficient, allowing users with widely ranging search queries to quickly find the most suitable image for their needs. Our search algorithms automatically evolve based on customer usage data such as searches and downloads to produce more effective search results over time. We believe that, with one of the highest volumes of downloads of commercial images, we have the data to power the best search experience in our industry.

- *Low cost of images* — Our affordable pricing models enable users to download images for as little as $0.28 per image. Across our pricing plans, customers pay an average of approximately $2.00 per image. We believe that our disruptive pricing models increase the number of businesses that can participate in the market for commercial imagery and that they expand the volume of downloads that we deliver.

- *Creative freedom through simple pricing* — Our subscription-based pricing model makes the creative process easier. Subscription users can download any image in our library at any resolution without worrying about incremental cost. This provides greater creative freedom and helps improve their work product. For users who need fewer images, we offer simple, affordable, On Demand pricing, which is presented as a flat rate across all images and sizes that we offer.

- *100% vetted, commercial-quality images* — We are extraordinarily focused on maintaining the quality of the imagery in our library. Each of our images has been vetted by a member of our review team for standards of quality and relevance. We also leverage proprietary review technology to pre-filter images and enhance the productivity of our reviewers. Less than 20% of contributor applicants who applied in 2011 were approved as contributors to shutterstock.com, and less than 60% of images uploaded by approved contributors in 2011 satisfied our rigorous acceptance requirements.

- *Appropriately licensed images* — We provide images that are appropriately licensed for commercial and editorial use. Our review process is designed to ensure that every image is appropriately licensed for its intended use. For example, a model release is required for all images that include a person with recognizable features and a property release is required for images of certain types of property and public places with photography policies. The strength of our review process enables us to offer $10,000 of indemnification protection to every customer to cover legal costs or damages that may arise from their use of a Shutterstock image. In certain cases, we offer even greater indemnification through custom contracts.

Key Benefits for Our Contributors

- *Distribution to the largest, global audience* — Our global marketplace provides image creators with access to millions of image users searching for imagery to license. Our flagship website operates globally in ten languages, allowing users around the world to easily search and access our entire collection of photos and videos online. In 2011, shutterstock.com received an average of more than 7 million monthly unique visitors and more than 43 million monthly page views according to comScore Media Metrix, and we delivered more than 58 million paid downloads. According to industry surveys, contributors who have images available on our site generate more income through Shutterstock than through any other sites with which they are registered.

- *Global ecommerce capabilities* — Our global ecommerce platform allows us to process payments from users across the world in eight currencies, and pay our contributors monthly. Our users can currently transact on our flagship website in ten languages, and we provide fraud protection, refunds and other types of customer support via phone and email on behalf of our contributors.

- *Efficient uploading, tagging and review process* — Based on user feedback and competitive benchmarking, we believe that we have the most efficient upload, tagging and review process of all of the major competitors in our industry. We are committed to continuously finding new and innovative ways to improve our contributor interface and to providing fast upload and review times—we typically process images within 36 hours of upload.

- *Robust feedback, tools and information* — We provide valuable tools and insights to our contributors. Contributors can monitor download activity by image and geography as well as by self-defined image themes. We also provide data on search trends, allowing content creators to see which images and subjects are popular on our site, and to plan new content themes accordingly.

- *Specialized community* — We operate a forum for the photographers, videographers and illustrators that make up our contributor community, allowing them to share tips with one another and to showcase their work. Our strict acceptance tests for new submissions provide contributors with a sense of challenge, accomplishment and exclusivity that makes our forums more useful and valuable.

Shutterstock's Competitive Strengths

In addition to the compelling value propositions and solutions that we offer to users and contributors, we believe that the following competitive advantages separate us from our competitors:

A Leading Global Marketplace with Strong Network Effects. Our content library is currently one of the largest in the commercial digital imagery industry, with over 20 million photographs and illustrations and more than 550,000 video clips, from more than 35,000 contributors. In 2011, our contributors added more than 4 million new images to shutterstock.com. In the same twelve month period, shutterstock.com received an average of more than 7 million monthly unique visitors and more than 43 million monthly page views according to comScore Media Metrix. We believe that the growth of our content library and the growth in our site traffic support one another through a strong network effect—a broader selection of images from our contributors attracts more image users; this larger audience of paying users increases the amount spent in our marketplace and attracts more content submissions from a greater number of contributors.

Extensive Data and Superior Search. Since 2003, our users have executed hundreds of millions of searches and made more than 250 million paid image downloads from our content library. In 2011, we delivered more than 58 million paid downloads (including both commercial and editorial images) to our customers. We believe that we delivered the highest volume of commercial image downloads in this period of any single brand in our industry. This high volume of data, including data about the searches and downloads that our users execute, enables us to continuously improve our search algorithms. Furthermore, unlike the significant majority of images available for free online, each image in our library is tagged by its contributor with an average of 30 relevant keywords. Currently, the Shutterstock library contains more than 650 million contributor-generated image tags. This behavioral and keyword data, along with our investments in technology and our many years of experience in developing search algorithms designed specifically for the commercial digital imagery industry, increase the chances that our users find the image they require. We believe that a successful search experience is a critical determinant of customer satisfaction, and that our success in this area attracts more users to our websites.

Simple, Flexible and Low-Cost Pricing. Since inception, we have aimed to deliver exceptional value to our users through simple and flexible pricing options. Our customers' average cost per image is approximately $2.00. We were a pioneer of the subscription-based payment model in our industry. Subscription plans generate an important sense of creative freedom for our professional users, enabling them to try out multiple images without concern for the incremental cost of each download. Additionally, we offer simple and cost-effective On Demand purchase options for less frequent users. The simplicity and affordability of these plans have allowed us to broaden our existing and potential user base. These pricing models also benefit our contributors due to the high volume of paid downloads we are able to generate on their behalf. According to industry surveys, our contributors typically generate more income from their work through Shutterstock than through any other image provider.

Trusted, Actively Managed Marketplace. We are committed to providing a trusted online marketplace for appropriately licensed, high-quality commercial imagery. Our rigorous review process for new images ensures the integrity and quality of content in our library. Each image is individually examined by our team of trained reviewers to meet our high standards of quality and commercial viability. This review process is designed to minimize the legal risk to our users from inappropriately licensed imagery. As a result of the significant investment we make in our review processes, we are able to provide indemnification protection that covers up to $10,000 should any legal costs or direct damages for claims arise from the use of an image or footage clip licensed through Shutterstock. In some cases, we offer even higher or unlimited levels of indemnification through custom contracts. We offer indemnification as a signal to our customers that they can trust the quality and licensability of content available through our marketplace; this sets us apart from many competitors and free sources of imagery.

Shutterstock's Growth Strategies

Acquire More Users and Contributors. We believe that there is a significant opportunity to grow our marketplace by increasing awareness of our brand and value proposition. For example, as of our last comprehensive customer survey, more than 70% of our customers work at companies with 20 employees or less; however, our active user base of U.S. SMBs currently represents less than 1% of the approximately 24 million SMBs that BIA/Kelsey estimates exist in the United States alone. We view this as a marketing opportunity. Much of our growth to date has been driven by word of mouth recommendations. We plan to continue to foster word of mouth by continuing to grow our library and deliver exceptional service. Additionally, we expect to increase our investments in online and offline marketing to help raise awareness in our core customer community as well as in additional market segments and geographies. In parallel, we intend to grow the depth and breadth of our content library by increasing awareness among potential contributors of the opportunity to share their creative work with a broader audience and generate income through Shutterstock.

Lead Innovation in User and Contributor Experience. We intend to build on our market-leading position by providing the best online experience for digital image users and contributors. With one of the largest collections of images in the industry, and one of the highest volumes of commercial image downloads, we believe that we have more information on marketplace and user needs than any of our competitors. We intend to use this advantage to continue to improve the quality of our search algorithms and user experience. We also plan to enhance the tools we offer contributors to help them establish their portfolio on our site, track their performance and explore opportunities to create content that customers need. We plan to continue to improve the speed and usefulness of feedback that we provide contributors on the images that they submit, and facilitate new ways for them to participate in an engaged community of their peers. Lastly, we intend to roll out new product offerings and product extensions that we believe will create deeper relationships with our core communities and attract new users to our sites.

Increase Localization. We are a global company, with contributors and users in more than 150 countries and a website that is available in ten languages. We plan to deepen our global penetration among users and contributors by improving the quality of the Shutterstock experience regardless of language or location. For example, we intend to increase the number of languages, currencies and payment methods that we support in order to serve an even larger global user base. Furthermore, we plan to improve the quality of non-English searches by increasing the sophistication with which we handle non-English image tagging and search ranking. Finally, there is significant unmet demand for localized content, such as images with locally relevant themes, objects and ethnicities. We plan to increase the geographical diversity of our contributor community so that we can provide the images demanded by our increasingly global user base.

Increase Our Penetration of Media Agencies and Large Enterprises. To date, the majority of our revenue has been generated from SMBs purchasing online, many of whom did not previously have access to low-cost commercial digital imagery. As of our last comprehensive customer survey, conducted in June 2011, less than 10% of our customers worked at companies with more than 500 employees. Furthermore,

in 2011, less than 10% of our revenue was generated through our direct sales organization, which focuses on sales to media agencies and large enterprises. We believe that we have a strong value proposition for media agencies and large enterprises, which account for a significant portion of the existing market for commercial digital imagery. These companies have historically purchased commercial imagery via sales-driven relationships and are used to complex licensing, limited image libraries and high prices. While our sales and support organization has historically been focused primarily on inbound customer communications, we are working to increase our revenue from media agencies and large enterprises through a direct sales approach and by offering tailored purchase options. We recently began building a direct sales team to target media agencies and large enterprises. We plan to expand our efforts in this area. This team represented less than 5% of our staff as of December 31, 2011.

Pursue Emerging Content Types. Alternative content types such as video footage represent significant opportunities for growth. According to MagnaGlobal, global online video advertising spending is expected to increase 27% annually from $3.1 billion in 2010 to $10.2 billion in 2015. Video has become a mainstream online activity globally, and is forecasted to expand to 62% of all consumer internet traffic by 2015, according to Cisco's Visual Networking Index. As user demand is increasing, the cost for contributors to create and produce professional video content is becoming increasingly affordable, most notably due to digital SLR cameras that include HD video capabilities. Given the convergence of photography and video tools, we believe that our network effects in still image licensing will help propel our efforts in the video market. In addition to video, we see opportunities in other emerging digital content areas that may be relevant to our customers.

Products

We provide licensed content that our users purchase to enhance their visual communications. Our content library is currently one of the largest in the commercial digital imagery industry, with over 20 million images. We offer a variety of content types, including photography, illustrations, vector art and video footage. Users can search our library and preview watermarked versions of our content at no cost. They can then pay to license and download the images they need, either on a subscription basis or on a per-download basis. Shutterstock images are provided under a royalty-free non-exclusive license and, as an assurance of the integrity of our content, users are generally protected by up to $10,000 in indemnification against any legal costs or damages that may arise from the licensed use of our images. Each image is available for high-resolution digital download and has been vetted by our team of reviewers to ensure that it meets our standards of quality and can be appropriately licensed for commercial or editorial use.

Photographs. We offer high quality photographs that cover a wide variety of subjects, including animals/wildlife, the arts, backgrounds/textures, beauty/fashion, buildings/landmarks, business/finance, celebrities, education, food and drink, healthcare/medical, holidays, nature, objects, people, religion, science, sports/recreation, technology and transportation. The significant majority of our photography collection is made up of creative images that can be used in both commercial and editorial contexts. Images that are marked as editorial-only, such as photographs of celebrities and newsworthy events, which constitute fewer than 10% of our total images, cannot be used to promote a product or service; instead these images are licensed for use in editorial settings such as newspapers, blogs and magazines. Photographs are available in a variety of sizes including small files that are appropriate for mobile browsing and large files appropriate for large format prints and high-resolution displays. Currently, photographs make up approximately 70% of our library.

Illustrations and Vector Art. In addition to photographic images, we also offer images that have been created using illustration tools and software. These images are made up of two types: illustrations (raster graphics) and vector art (vector graphics). Raster graphics are stored as a fixed set of pixels, whereas vector graphics are stored using geometric modeling. Since vectors are described using geometric data instead of fixed pixels, vectors can be scaled to any size without loss of resolution or quality. Currently, illustrations and vector art make up approximately 27% of our library.

Video Footage. For users engaged in producing video advertisements, commercial motion pictures, television programming, video games, interactive applications and other video-based media, we also provide video footage. Footage clips are available in a variety of formats and sizes, including High Definition (HD). Currently, our video footage library contains more than 550,000 video clips and makes up approximately 3% of our library.

Purchase Options

Shutterstock strives to offer simple, straightforward purchase options that remove complexity from a customer's workflow. We currently offer the following options:

Subscription: Shutterstock's signature and highest grossing purchase option is its 25-a-day subscription. This purchase option allows a user to download up to a total of 25 photos, vectors or illustrations per day under Shutterstock's Standard License, regardless of image size. Subscription customers can download and experiment with multiple images at no extra cost, which removes friction from their creative process. Subscriptions can be purchased in 30 day, 90 day, 180 day and 365 day increments and are paid in advance. This purchase option currently represents approximately 50% of our revenue.

On Demand: Customers can also buy images in fixed packages. For example, Shutterstock offers On Demand packages that include 1 image, 5 images or 25 images under Shutterstock's Standard License. Shutterstock charges the same price for illustrations and vectors as it does for photographs and it does not charge more for a full resolution image than a small image. This offers customers the simplicity of being able to license any size of any still image in our library for the same price. Once a customer purchases images On Demand from Shutterstock, he or she has up to one year to download those images before they expire. While the vast majority of On Demand revenue comes from Shutterstock's Standard License packages, other forms of On Demand purchases include Enhanced Licenses (for customers who need broader licensing rights than are offered under Shutterstock's Standard License) and images licensed through BigStock. Together, all of our On Demand purchase options currently represent approximately 40% of revenue.

Other Purchase Options: Shutterstock provides a number of other purchase options which together represent approximately 10% of our revenue. These purchase options include custom accounts (for customers that need multi-seat access, invoicing, unlimited indemnification or a higher volume of images) and video footage (which are sold individually and in fixed packages).

Users

We serve a wide variety of companies across numerous industries, organizational sizes and geographies. As of December 31, 2011, our customer database contained more than 3 million user accounts. Of these, more than 550,000 users contributed to revenue in 2011. Due to our large number of customers and the way that our products are sold, we do not have any material customer concentration; our largest single customer made up less than 1% of revenue in 2011. Our users tend to fit into three categories: businesses, marketing agencies and media organizations.

Businesses. Business customers require high-quality, commercially-licensed digital imagery for a wide range of communication materials. Such communication materials may be intended for internal or external use and include websites, print and digital advertisements, annual reports, brochures, employee communications, newsletters, email marketing campaigns and presentations. Shutterstock's business users range from sole proprietors to *Fortune 500* companies.

Marketing Agencies. Marketing agencies require high-quality, commercially-licensed digital imagery to incorporate in the work they produce for their clients' business communications. Whether providing

graphic design, web design, interactive design, advertising, public relations, communications or marketing services, Shutterstock's marketing users range from independent freelancers to the largest global agencies.

Media Organizations. Media professionals require high-quality, commercially-licensed digital imagery to incorporate in the content they produce, including newspapers, books, magazines, digital publications, television and film. They also require high quality images to market their products effectively. Shutterstock's media users range from independent bloggers to multi-national publishing and broadcast organizations.

Content Contributors and Content Review Process

The content we provide to our users is created by a community of contributors from around the world and is vetted by our specialized team of image and video reviewers. Whether photographers, videographers, illustrators or designers, our community of more than 35,000 approved contributors range from part-time enthusiasts to full-time professionals, and all of them must meet high standards in order to work with Shutterstock.

In order to become a contributor, an individual must submit an application that includes a portfolio of images or videos. Of more than 375,000 contributor accounts that have been created, less than 40,000 contributors have been approved. Once accepted by Shutterstock's review team, contributors can upload as many images as they would like; however, every submitted image is reviewed and either accepted or rejected by our team to ensure that images in our library meet certain standards of aesthetic and technical quality. Approximately 38 million images have been submitted to our review team by approved contributors and, of those, only 20 million, or approximately 50%, were approved and made available in our marketplace. Each image that is rejected by our review team is tagged with at least one rejection reason that is communicated to the submitting contributor to help him or her to improve and to give insight into our review standards. Such rejection reasons include focus, composition, poor lighting, trademark infringement and limited commercial value. We combine proprietary technology and highly trained content review staff to deliver sophisticated yet efficient image review—we typically process images within 36 hours of upload.

Contributors are required to associate keywords with each image they submit in order to make their images more easily found using our search algorithms. Keywords usually contain both descriptive terms that literally identify the content of an image (e.g., "padlock") and conceptual terms that describe what an image might convey (e.g., "security"). We have over 650 million contributor generated keywords in our database, an average of approximately 30 keywords per image.

All images accepted into our collection are added to our website where they are available for search, selection, license and download. Contributors are paid monthly based on how many times their images have been licensed in the previous month. Contributors may choose to remove their images from our library at any time. Due to our large number of contributors, we do not have any material content supply concentration; the content contributed by our five highest-earning contributors was together responsible for less than 4% of downloads in 2011.

Shutterstock provides different earnings structures for photographs, illustrations and vector art, and for video footage:

Photographs, Illustrations and Vector Art. Contributors of photographs, illustrations and vector art are paid based on the number of times that their images have been licensed and downloaded. The vast majority of image downloads are licensed under our Standard License. The amount that a contributor of a photograph or vector receives per Standard License typically ranges from $0.25 per image downloaded to $2.85 per image downloaded. The exact amount is determined by our published earnings schedule and depends on the lifetime earnings of the contributor on our website and the purchase option under which an image was licensed. When images are licensed under our Enhanced License, the contributor of that image earns $28.00 per image downloaded. When images are licensed under other purchase options or

license types, contributors earn between 20% and 30% of the sale price of each image based on his or her lifetime earnings as a contributor.

Video Footage. Contributors of video footage are also paid based on the number of times that their video clips have been licensed and downloaded. When a video clip is downloaded the contributor is typically paid 30% of the sale price with certain minimum amounts per download.

Technology and Infrastructure

Our business is built on a foundation of technology and all of our products and services are made possible by the proprietary technology and robust infrastructure that we have developed. We believe that delivering intuitive, fast and effective user experiences, supported by robust and scalable technology platforms, is critical to our success.

We employ technology to support both our public facing websites and our back-office systems. We use a combination of proprietary technologies and commercially available licensed technologies, including open source software. We focus our internal development efforts on creating and enhancing the specialized proprietary software that is unique to our business and we leverage commercially available and open source technologies for our more generalized needs.

Our customer-facing software enables users to search millions of digital images and then select, organize, pay for, license and download the images that they would like to use. Our proprietary search algorithms evolve automatically based on behavioral data, which means that each search and download that a user performs on our website gives our search engine more information with which to improve. Having delivered over 250 million paid downloads since 2003, the data that we have collected and the search technology that it powers are an important and proprietary asset. We have also invested in making our ecommerce platform a global one, allowing customers to search and make purchases in ten languages and eight currencies.

Our contributor-facing software enables users to apply to become a contributor, upload and tag images and videos, receive feedback on their submissions from our review team, see reports on earnings and payouts, and participate in online discussion forums with other contributors. We have also developed proprietary tools to help our contributors improve their craft, including our Keyword Trends Tool that allows contributors to see what terms customers are searching for and how those search terms are trending over time. This tool allows contributors to anticipate demand and generate images that customers will want to license, and is another example of how we combine software and large-scale proprietary datasets to deliver value to our users.

Our internal software enables the technological and business processes necessary to deliver a superior experience for customers and contributors. This includes a content review system that allows our review team to efficiently and accurately review every single image that is made available on our websites. It also includes applications that enable customer and contributor support, intellectual property rights and license tracking, centralized invoicing and sales order processing, customer database management, language translation, global contributor payouts, compliance, finance and accounting functions.

Our systems infrastructure is hosted by industry-leading third-party hosting providers that offer 24-hour monitoring, high-speed network access, power generators and back-up systems. We maintain multiple production datacenters to provide rapid content delivery to our customers and also to support business continuity in the event of an emergency. We also use content delivery network solutions to ensure fast access to our content around the world. Network, website, service and hardware-level monitoring, coupled with remote-content monitoring, allow our systems to maintain a high level of uptime and availability with high-performance delivery.

Our development teams employ Agile Development methodologies to increase the speed and effectiveness of our technology efforts; we focus on iterative and incremental development processes through which cross-functional teams release code nearly every day and manage their own progress in

two-week cycles known as "sprints." We view our investments in technology as being core to our long-term success and we intend to continue to investigate, develop and make capital investments in technology and operational systems that support our current business and new areas of potential business expansion.

Brands

Shutterstock is our flagship brand and the significant majority of our revenues are generated via shutterstock.com. We also operate a business called Bigstock which Shutterstock acquired in 2009. We have maintained these as separate brands in order to allow us to target two different customer segments. While Shutterstock generates the majority of its revenue from higher-volume image users and subscription-based pricing models, Bigstock targets lower-volume image users and emphasizes simple per-image pricing. Shutterstock's image library currently contains more than 20 million images. This figure does not include Bigstock's image library which contains more than 11 million images, many of which are also available through Shutterstock.

Marketing

We reach new customers through a diverse set of marketing channels including paid search, online display advertising, print advertising, tradeshows, email marketing, direct mail, affiliate marketing, public relations, social media and partnerships. Marketing activities aim to raise awareness of our brands and attract paying users to our websites by promoting the key value propositions of our offerings: diverse and high quality content, intuitive and efficient interfaces and market-leading value.

In addition to generating more revenue, the resources we devote to marketing help us generate more earnings for our contributors. This helps attract more content, which in turn helps us convert and retain even more paying users. Furthermore, the high degree of satisfaction that users have with our product drives word of mouth recommendations, which helps our marketing efforts attract an even broader audience than we reach directly. In these ways, we believe our marketing efforts have a self-reinforcing effect which powers the growth and success of our marketplace.

Sales and Customer Support

The significant majority of our revenue is generated via self-serve ecommerce. We encourage our users to take advantage of the comprehensive search capabilities of our websites, our credit-card-based payment options and the immediate digital delivery of licensed images. We believe the ability to search for, select, license and download content over the internet offers our users convenience and speed, and enables us to achieve greater economies of scale.

Direct communication with our customers, however, remains a significant component of our customer support and sales strategy. Our customer support and sales team, which is headquartered in New York City, is available to assist users via email and by phone in ten languages. In addition to handling inbound customer support and sales inquiries, we also reach out proactively to potential high volume customers and offer them custom accounts to meet their needs. Outbound sales activities currently contribute a small but growing percentage of Shutterstock's overall revenue.

Product Rights and Intellectual Property

Product Rights and Indemnification. All of the images that Shutterstock makes available to users are offered under a royalty-free license. This means that once a customer has purchased an image license, that customer can use the associated image in accordance with the license terms in perpetuity, without having to pay any ongoing royalties. This image license is non-exclusive, meaning that multiple customers can license the same image. Furthermore, we do not require that contributors of content to our sites provide their content to us on an exclusive basis.

Shutterstock represents to its users that unaltered images downloaded and used in compliance with our websites' terms of service and applicable law will not infringe any copyright, trademark or other intellectual property right, nor will such unaltered images violate any third parties' rights of privacy or publicity, violate any U.S. law, be defamatory or libelous, or be pornographic or obscene. Furthermore, provided that a user has not breached Shutterstock's license agreement, Shutterstock agrees to defend, indemnify, and hold users harmless for damages up to $10,000 per user. We also offer some of our customers custom contracts with either larger indemnification amounts or unlimited indemnification. Such indemnification applies only to claims for damages directly attributable to Shutterstock's breach of the foregoing representations, and includes expenses arising out of any actual or threatened lawsuit, claim, or legal proceeding alleging that the possession, distribution, or use of images downloaded and used by users pursuant to our terms of service violate Shutterstock's representations. To date, Shutterstock has not incurred any material financial costs as a result of this indemnification. Since 2009, we have received approximately 30 customer claims for indemnification, and following investigation of such claims, less than one-third resulted in our making a cash payment to settle such intellectual property disputes. Aggregate amounts paid to date to settle customer indemnification claims have not been material. No claims for indemnification have been asserted by any customer with unlimited indemnification protection. We maintain commercially reasonable insurance to protect against the costs of intellectual property litigation.

Intellectual Property. We protect our intellectual property through a combination of patents, trademarks and domain name registrations, copyrights and trade secrets.

We own numerous trademarks that are important to our business. Our trademarks registered in the United States and several other jurisdictions include: "Shutterstock," "Bigstock," and the Shutterstock logo. We will pursue additional trademark registrations to the extent that we create any additional registrable trademarks or logos. We are the registered holder of a variety of domestic and international domain names that include "Shutterstock," "Bigstock" and multiple variations thereof. We have successfully recovered infringing domain names in the past and will continue to enforce our rights in the future.

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with our employees, consultants, contractors, and vendors. Our employees and certain contractors are also subject to nondisclosure agreements containing an intellectual property assignment provision. In this way, we have historically chosen to protect our software and other technological intellectual property as trade secrets. We further control the use of our proprietary technology and intellectual property through provisions in our websites' terms of use.

Competition

The market for commercial digital imagery is highly competitive. We believe that the principal competitive factors are:

- the quality, relevance and breadth of the images in a company's collections;
- the accessibility of imagery, in the form of the speed and ease of search and fulfillment;
- effective use of current and emerging marketing channels;
- effective use of current and emerging technology;
- pricing and licensing models, policies and practices;
- brand name recognition;
- company reputation;
- customer service and customer relationships;

- security, reliability and data protection; and
- the global nature of a company's interfaces and marketing efforts, including local languages, currencies, and payment methods.

Some of our current and potential significant competitors include:

- other online marketplaces for imagery such as iStockphoto, Fotolia, and Dreamstime;
- traditional stock content providers such as Getty Images and Corbis Corporation;
- specialized visual content companies that are established in local, content or product-specific market segments such as Reuters Group PLC, the Associated Press, and Thought Equity Motion;
- websites focused on image search and discovery such as Google Images;
- websites for image hosting, art and related products such as Flickr;
- social networking and social media services such as Facebook; and
- commissioned photographers and photography agencies.

Lastly, we compete with the individuals who create their own imagery or do not consume licensed images because it is too expensive or because they are not aware of how to do so.

Government Regulation

The legal environment of the internet is evolving rapidly in the United States and elsewhere. The manner in which existing laws and regulations will be applied to the internet in general, and how they will relate to our business in particular, is unclear in many cases. For example, we often cannot be certain how existing laws will apply in the online context, including with respect to such topics as privacy, defamation, pricing, credit card fraud, advertising, taxation, sweepstakes, promotions, subscription-based billing, content regulation, quality of products and services and intellectual property ownership and infringement.

Numerous laws have been adopted at the national and state level in the United States that could have an impact on our business. These laws include the following:

- The Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 and similar laws adopted by a number of states, which are intended to regulate unsolicited commercial e-mails, create criminal penalties for unmarked sexually-oriented material and e-mails containing fraudulent headers and control other abusive online marketing practices.
- The Children's Online Privacy Protection Act and the Prosecutorial Remedies and Other Tools to End Exploitation of Children Today Act of 2003, which are intended to restrict the distribution of certain materials deemed harmful to children and impose additional restrictions on the ability of online services to collect user information from minors. In addition, the Protection of Children From Sexual Predators Act of 1998 requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances.
- Several states have adopted, and other states are expected to enact, statutes that require online services to report certain breaches of the security of personal data, and to report to consumers when their personal data might be disclosed to direct marketers.

To resolve some of the remaining legal uncertainty, we expect new laws and regulations to be adopted over time that will be directly applicable to the internet and to our activities. Any existing or new legislation applicable to Shutterstock could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and could dampen growth in the use of the internet in general.

We post our privacy policies and practices concerning the use and disclosure of user data on our websites. Any failure by us to comply with our posted privacy policies, Federal Trade Commission

requirements or other privacy-related laws and regulations could result in proceedings by governmental or regulatory bodies that could potentially harm our business, results of operations and financial condition. In this regard, there are a large number of legislative proposals before the United States Congress and various state legislative bodies regarding privacy issues related to our business. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could harm our business through a decrease in user registrations and revenues. These decreases could be caused by, among other possible provisions, the required display of disclaimers or other requirements before users can utilize our services.

Due to the global nature of the internet, it is possible that the governments of other states and foreign countries might attempt to regulate digital transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws, such laws may be modified and new laws may be enacted in the future. Any such developments could harm our business, operating results and financial condition. We may be subject to legal liability for our online services. The law relating to the liability of providers of online services for activities of their users is currently unsettled both within the United States and abroad. Claims may be threatened against us for aiding and abetting, defamation, negligence, copyright or trademark infringement, or other reasons based on the nature and content of information to which we provide links or that may be posted online.

Legal Proceedings

Although we are not currently a party to any litigation, from time to time, third parties assert claims against us regarding intellectual property rights, invasion of privacy and matters arising out of the ordinary course of business. Although we cannot be certain of the outcome of any litigation or the disposition of any claims, nor the amount of damages and exposure that we could incur, we currently believe that the final disposition of such matters will not have a material effect on our business, results of operations, financial condition or cash flows. In addition, in the ordinary course of our business, we are also subject to periodic threats of lawsuits, investigations and claims. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Employees

As of June 30, 2012, we employed 224 full-time employees, including 84 engaged in research and development, 92 engaged in sales, marketing and support, 16 engaged in content operations, and 32 engaged in general and administrative functions. Of these employees, 219 were located in the United States, primarily in New York, New York. In addition to our full-time employees, we also employ the services of a number of contractors, including 35 contractors focused on content review as of June 30, 2012. Of these contractors, 20 contractors were located in the United States, and 15 were located outside of the United States, primarily in Canada and Europe. None of our employees is represented by a labor union, and we consider our company culture and employee relations to be strong.

Facilities

In November 2008, we entered into a lease effective through November 2013 for approximately 12,000 square feet of office space in New York City to house our principal offices. In November 2010, we entered into a sublease effective through June 2015 for an additional 12,000 square feet of office space in the same building. In March 2012, we amended our lease to add 7,800 square feet of space in the same building, effective through November 2013.

We believe that our existing facilities are adequate for our current needs and that suitable additional or alternative space will be available on commercially reasonable terms to meet our future needs.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of the date hereof:

Name	Age	Position(s)
Jonathan Oringer	38	Founder, Chief Executive Officer and Chairman of the Board
Thilo Semmelbauer	46	President and Chief Operating Officer
Timothy E. Bixby	47	Chief Financial Officer
James Chou	51	Chief Technology Officer
Steven Berns[(1)(2)]	48	Director
Jeff Epstein[(1)(3)]	56	Director
Thomas R. Evans[(1)(2)(3)]	58	Director
Jeffrey Lieberman	38	Director
Jonathan Miller[(2)(3)]	55	Director

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Corporate Governance Committee

Executive Officers

Jonathan Oringer has served as our Founder, Chief Executive Officer and Chairman of the Board since founding the company in 2003. Prior to founding Shutterstock, Mr. Oringer served as a director of several private companies. Mr. Oringer holds a B.S. in computer science and mathematics from State University of New York at Stony Brook and an M.S. in computer science from Columbia University. The board of directors believes that Mr. Oringer's experience in the commercial digital imagery industry, his experience with entrepreneurial and technology companies and his extensive knowledge of our company as its founder qualify him to serve as chairman of our board of directors.

Thilo Semmelbauer has served as our President and Chief Operating Officer since April 2010. Prior to joining Shutterstock, Mr. Semmelbauer served as Executive Vice President of TheLadders.com, Inc., a career management company, from June 2009 to March 2010. Prior to TheLadders, Mr. Semmelbauer was with Weight Watchers International for 8 years, serving as Global Chief Operating Officer from December 2006 to July 2008, Chief Operating Officer, North America, from March 2004 to December 2006, and Co-Founder and President of WeightWatchers.com from February 2000 to March 2004. Prior to Weight Watchers, Mr. Semmelbauer served as a Principal at The Boston Consulting Group. Mr. Semmelbauer holds an A.B. in engineering and computer science from Dartmouth College and a Master of Science in management and electrical engineering from Massachusetts Institute of Technology.

Timothy E. Bixby has served as our Chief Financial Officer since June 2011. Prior to joining Shutterstock, Mr. Bixby served as the Chief Financial Officer and a director of LivePerson, Inc., a provider of hosted software products that facilitate real-time sales and customer service, from June 1999 to May 2011, and as President of LivePerson from March 2001 to May 2011. Prior to LivePerson, Mr. Bixby served as Vice President of Finance for Universal Music & Video Distribution Inc., a manufacturer and distributor of recorded music and video products. Mr. Bixby holds an A.B. in mathematics from Dartmouth College and an M.B.A. from Harvard University.

James Chou has served as our Chief Technology Officer since February 2011. Prior to joining Shutterstock, Mr. Chou served as Senior Vice President and Chief Technology Officer of American Greetings Interactive, the interactive media division of American Greetings Corporation, from November

2008 to September 2010. Prior to American Greetings, Mr. Chou was Executive Vice President, Technology, at Apani Networks, a provider of internet security software, from June 2004 to October 2008. Mr. Chou has also held positions at Apple, Inc., JP Morgan Chase & Co., and Accenture Plc. Mr. Chou holds a B.S. in electrical engineering from State University of New York at Buffalo and an M.B.A. from Duke University.

Directors

Steven Berns has served as a member of our board of directors since March 2012. Since May 2009, Mr. Berns has served as the Executive Vice President and Chief Financial Officer of Revlon, Inc., and served as its Treasurer from May 2009 to February 2010. Mr. Berns previously served as Chief Financial Officer of Tradeweb, LLC from November 2007 to May 2009. From November 2005 until July 2007, Mr. Berns served as President, Chief Financial Officer and Director of MDC Partners Inc, and from September 2004 to November 2005, Mr. Berns served as its Vice Chairman and Executive Vice President. Prior to that, Mr. Berns was the Senior Vice President and Treasurer of The Interpublic Group of Companies, Inc. from August 1999 until September 2004. Before that, Mr. Berns held a variety of positions in finance with Revlon, Inc. from April 1992 until August 1999. Prior to joining Revlon, Inc., Mr. Berns worked at Paramount Communications Inc. and at a predecessor public accounting firm of Deloitte & Touche. Mr. Berns formerly served as a director of LivePerson, Inc. Mr. Berns holds a B.S. from Lehigh University and an M.B.A. from New York University and is a Certified Public Accountant. The board of directors believes that Mr. Berns' financial and business expertise, including his background as a senior executive at one of the world's largest advertising holding companies, chief financial officer of several corporations, and his service on the boards of directors and audit committees of public companies, qualifies him to serve as a member of our board of directors.

Jeff Epstein has served as a member of our board of directors since March 2012. Mr. Epstein has served as a director of priceline.com since April 2003. Mr. Epstein was Executive Vice President and Chief Financial Officer of Oracle Corporation, an enterprise software company, from September 2008 to April 2011. Mr. Epstein served as Executive Vice President and Chief Financial Officer of Oberon Media, Inc., from April 2007 to June 2008. From June 2005 until its sale in March 2007, Mr. Epstein was Executive Vice President and Chief Financial Officer of ADVO, Inc. Mr. Epstein is a member of the Audit and Compliance Committee of the Stanford University Hospital and a member of the Management Board of the Stanford University Graduate School of Business. Mr. Epstein is a Senior Advisor at Oak Hill Capital Partners and an Executive in Residence at Bessemer Venture Partners. Mr. Epstein holds a B.A. from Yale University and an M.B.A. from Stanford University. The board of directors believes that Mr. Epstein's financial and business expertise, including his background as chief financial officer of the world's largest enterprise software company, and his service as a senior executive at companies in the internet and advertising industries, qualifies him to serve as a member of our board of directors.

Thomas R. Evans has served as a member of our board of directors since March 2012. Mr. Evans has served as President and Chief Executive Officer and a director of Bankrate, Inc. since 2004. From August 1999 to August 2003, Mr. Evans served as Chairman and Chief Executive Officer of Official Payments Corp., specializing in processing consumer credit card payments for government taxes, fees and fines. From 1998 to 1999, Mr. Evans was President and Chief Executive Officer of GeoCities Inc., a community of personal websites. From 1991 to 1998, Mr. Evans was President and Publisher of *U.S. News & World Report*. In addition to his duties at *U.S. News & World Report*, Mr. Evans served as President of *The Atlantic Monthly* (1996-1998) and as President and Publisher of *Fast Company* (1995-1998), a magazine launched in 1995. Mr. Evans also serves as a director of Future Fuel Corp. and previously served as a director of Navisite, Inc. Mr. Evans holds a B.S. in business administration from Arizona State University. The board of directors believes that Mr. Evans' business experience, particularly as a senior executive in the internet and media industries, and his service on the board of directors of public companies, qualifies him to serve as a member of our board of directors.

Jeffrey Lieberman has served as a member of our board of directors since June 2007. Mr. Lieberman is a Managing Director of the venture capital firm Insight Venture Partners, or Insight, where he has been employed since June 1998. Prior to joining Insight, Mr. Lieberman was a management consultant at the New York office of McKinsey & Company, where he focused on strategic and operating issues in the financial services, technology and consumer products industries. Mr. Lieberman also serves as a director of several private companies. Mr. Lieberman holds a BAS in systems engineering and in BA in economics from the Engineering School and Wharton School of the University of Pennsylvania respectively. The board of directors believes that Mr. Lieberman's experience with digital media, entertainment and online technology companies, his extensive knowledge of our company as one of our original investors, and his service on the board of directors of other companies qualifies him to serve as a member of our board of directors.

Jonathan Miller has served as a member of our board of directors since March 2012. Mr. Miller served as the Chairman and Chief Executive Officer of the Digital Media Group at News Corp. and was its Chief Digital Officer from April 2009 to September 2012. Mr. Miller was the Founder and Partner at Velocity Interactive Group, an investment firm focusing on internet and digital media, from its inception in February 2007 to April 2009. Prior to founding Velocity, Mr. Miller served as the Chief Executive Officer of America Online, Inc., or AOL. Prior to joining AOL, Mr. Miller served as Chief Executive Officer and President of USA Information and Services. Mr. Miller previously served as a director of LiveNation Entertainment, Inc. and Ticketmaster prior to its merger with LiveNation. Mr. Miller is a trustee of the American Film Institute and The Paley Center for Media. Mr. Miller holds a B.A. from Harvard College. The board of directors believes that Mr. Miller's business expertise, particularly as a senior executive at some of the largest digital media companies in the world, and his service on the boards of directors of various public companies, qualifies him to serve as a member of our board of directors.

Board of Directors

Our board of directors currently consists of six members. Our bylaws permit our board of directors to establish by resolution the authorized number of directors, and six directors are currently authorized.

In accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors will be Messrs. Oringer and Lieberman, and their terms will expire at the first annual meeting of stockholders held after the effectiveness of this offering;
- The Class II directors will be Messrs. Epstein and Miller, and their terms will expire at the second annual meeting of stockholders held after the effectiveness of this offering; and
- The Class III directors will be Messrs. Berns and Evans, and their terms will expire at the third annual meeting of stockholders held after the effectiveness of this offering.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

Upon completion of this offering, our common stock will be listed on the New York Stock Exchange, or the NYSE. Under the rules of the NYSE, independent directors must comprise a majority of a listed company's board of directors within a specified period of the completion of this offering. In addition, the rules of the NYSE require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent. Audit committee members

must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of the NYSE, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In order to be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that each of Messrs. Berns, Epstein, Evans, Lieberman and Miller, representing five of our six directors, do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the NYSE.

Our board of directors also determined that Messrs. Berns, Evans and Epstein who comprise our audit committee, Messrs. Berns, Evans and Miller who comprise our compensation committee and Messrs. Epstein, Evans and Miller who comprise our nominating and corporate governance committee, satisfy the independence standards for those committees established by applicable SEC rules and the rules of the NYSE. In making this determination, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Committees of the Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and responsibilities described below.

Audit Committee

Our audit committee is comprised of Messrs. Berns, Evans and Epstein, each of whom is a non-employee member of our board of directors. Mr. Berns is our audit committee chairman and is our audit committee financial expert, as currently defined under the SEC rules. Our board of directors has adopted a charter for our audit committee, which will be available on our website upon consummation of this offering. Our audit committee assists our board in its oversight of our corporate accounting and financial reporting process and internal controls over financial reporting. Our audit committee evaluates the independent registered public accounting firm's qualifications, independence and performance; appoints and provides for the compensation of the independent registered public accounting firm; approves the retention of the independent registered public accounting firm to perform any proposed permissible professional services; meets with management and the independent auditor to discuss our annual financial statements; instructs the independent auditor to report to the audit committee on all of our critical accounting policies; reviews and discusses with management and the independent auditor management's report on internal control over financial reporting, and the independent auditor's audit of the effectiveness of our internal control over financial reporting; and discusses with management and the independent auditor the results of our annual audits and the reviews of our quarterly financial statements.

Compensation Committee

Our compensation committee is comprised of Messrs. Berns, Evans and Miller each of whom is a non-employee member of our board of directors. Mr. Evans is our compensation committee chairman. Our board of directors has adopted a charter for our compensation committee, which will be available on our website upon consummation of this offering. Our compensation committee establishes and reviews policies and practices relating to the compensation and benefits of our officers, including establishing goals and objectives relevant to compensation of our chief executive officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and determining compensation of these officers based on such evaluations. The compensation committee also administers the issuance of stock options and other awards under our stock plans.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Messrs. Evans, Epstein and Miller, each of whom is a non-employee member of our board of directors. Mr. Miller is the chairman of our nominating and corporate governance committee. Our board of directors has adopted a charter for our nominating and governance committee, which will be available on our website upon consummation of this offering. Our nominating and corporate governance committee is responsible for making recommendations regarding candidates for directorships and the composition of our board. Our nominating and governance committee is also responsible for reviewing with the board, on an annual basis, the qualifications, attributes and skills of board members, and the skills and characteristics of the board as a whole, in determining whether to recommend incumbent directors in the class subject to election for reelection. In addition, the nominating and corporate governance committee is responsible for developing and recommending our corporate governance guidelines.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is, or has at any time during the past year been, one of our officers or employees. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We plan to adopt a code of business conduct and ethics that will apply to all of our employees, including our executive officers and directors, and those employees responsible for financial reporting. The code of business conduct and ethics will be available on our website at www.shutterstock.com. We expect that, to the extent required by law, any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Director Compensation

Prior to January 1, 2012, we did not provide any compensation to non-employee members of our board of directors for service on our board of directors and none of our non-employee directors received any cash or equity compensation during the year ended December 31, 2011. We did, however, reimburse our directors for their expenses incurred in connection with attending board and committee meetings and fulfilling their duties as members of our board of directors.

Effective January 1, 2012, our non-employee directors are entitled to the following compensation:

Annual retainer	$15,000
Annual retainer for board committee chairperson	
Audit committee	$10,000
Compensation committee	$5,000
Attendance fee per board or committee meeting	$1,000
Equity award for new directors[(1)]	20,000 units/shares

(1) Initial equity awards for new directors are granted with an exercise price equal to or greater than the fair market value on the date of grant and are subject to vesting over a period of four years, in equal annual installments. Prior to our Reorganization, these equity awards were made in the form of VARs and, subsequent to our Reorganization, they will be made in the form of stock options.

None of our directors received equity awards in the year ended December 31, 2011. However, VAR awards of 20,000 notional VAR units were granted to each of Messrs. Berns, Evans and Miller on March 15, 2012 and to Mr. Epstein on April 4, 2012, in each case with an exercise price of $17.50.

Upon completion of this offering, directors will be entitled to equity awards pursuant to our 2012 Omnibus Equity Incentive Plan. See "Executive Compensation—Employee Benefit and Stock Plans—2012 Omnibus Equity Incentive Plan."

In addition, we will continue to reimburse our non-employee directors for reasonable travel expenses and other out-of-pocket costs incurred in connection with attending board and committee meetings and fulfilling their duties as members of our board of directors.

EXECUTIVE COMPENSATION

2011 Summary Compensation Table

The following table sets forth information regarding the compensation awarded to, earned by, or paid to each of our executive officers during the year ended December 31, 2011. As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies" as such term is defined in the rules promulgated under the Securities Act, which require compensation disclosure for our principal executive officer and the two most highly compensated executive officers other than our principal executive officer. We have voluntarily decided to also include compensation disclosure for our Chief Financial Officer. Throughout this prospectus, these four officers are referred to as our named executive officers.

Name and Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation (1)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(2)	Total ($)
Jonathan Oringer, *Chief Executive Officer*	$ 250,000	—	—	—	—	—	—	$ 250,000
Thilo Semmelbauer, *President and Chief Operating Officer*	$ 312,115	—	—	—	$ 200,000	—	$ 9,363	$ 521,478
James Chou, *Chief Technology Officer*(3)	$ 226,000	—	—	(3)	$ 85,000	—	$ 6,780	$ 317,780
Timothy E. Bixby, *Chief Financial Officer*(4)	$ 172,500	—	—	(4)	$ 105,000	—	$ 4,312	$ 281,812

(1) Represents amounts earned pursuant to the Company's Non-Equity Incentive Plan for services in 2011, which amounts were paid in 2012. All of our executive officers, other than our Chief Executive Officer, are eligible to receive cash bonuses under our annual cash bonus plan, which individual bonus amounts are based on a formula determined by taking each person's actual earned compensation, multiplied by a target bonus percentage, multiplied by an individual score, multiplied by the company-wide score, with discretion for rounding. The amounts for Mr. Semmelbauer, Mr. Chou and Mr. Bixby in the table above reflect target payouts at 67.0%, 40.0% and 61.5%, respectively, with such amounts for Mr. Chou and Mr. Bixby prorated for 2011 based on their respective employment start dates. See "Non-Equity Incentive Plan" for a further description of this plan.

(2) Comprised of company match of 401(k) plan contributions paid in 2012.

(3) Mr. Chou's employment with Shutterstock began on February 11, 2011. As noted in the Outstanding Equity Awards at Fiscal Year-End table below, Mr. Chou received two VAR Awards during fiscal year 2011, for which the grant date fair value is $847,500; however, because the right to exercise the award is subject to the occurrence of a change of control, no compensation charge has been recorded to date.

(4) Mr. Bixby's employment with Shutterstock began on June 13, 2011. As noted in the Outstanding Equity Awards at Fiscal Year-End table below, Mr. Bixby received two VAR Awards during fiscal year 2011, for which the grant date fair value is $1,556,800; however, because the right to exercise the award is subject to the occurrence of a change of control, no compensation charge has been recorded to date.

Outstanding Equity Awards at Fiscal Year-End

The following table shows all outstanding equity awards held by each of our named executive officers at December 31, 2011.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) (1) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Jonathan Oringer	—	—	—	—	—	—	—	—	—
Thilo Semmelbauer[2]	—	—	—	—	—	—	—	—	—
James Chou[3]	—	100,000	100,000	$ 14.17	3/31/2021	—	—	—	—
		50,000	50,000	$ 17.00	3/31/2021				
Timothy E. Bixby[4]	—	255,000	255,000	$ 15.00	3/31/2021	—	—	—	—
		50,000	50,000	$ 17.00	3/31/2021				

(1) All of the awards of Value Appreciation Rights (VARs) have a time-based vesting schedule, but are generally only exercisable upon the occurrence of a change of control. For purposes of the VARs, "change of control" generally means the consummation of any transaction or series of related transactions, pursuant to which any person or group acquires: (a) directly or indirectly, more than 50% of the membership interests of the LLC or (b) directly or indirectly, all or substantially all of the assets of the LLC and its subsidiaries; provided that, a change of control shall not be deemed to occur if the acquiror of the membership interests or assets referred to in (a) and (b) is an affiliate of the LLC. In the event an individual is terminated other than for cause and executes a release of claims, the vested VARs as of such date remain outstanding until the occurrence of a change of control; provided that the LLC has the right, in its sole discretion, to repurchase the vested VARs at any time prior to the change of control. In connection with the Reorganization, the VARs will be converted to options issued under the 2012 Omnibus Equity Incentive Plan with similar rights and terms as the original VARs except that the exercisability of the options will not be limited to the occurrence of a change of control. See "Reorganization."

(2) Mr. Semmelbauer received a 4% profits interest in the Company on August 17, 2010. The profit interest entitles him to an aggregate amount of 4% of any liquidation of the Company in excess of $300 million, subject to subsequent equity grants that may reduce this amount. The profit interest vests as to one-sixth of these units on April 5, 2011, with the remaining five-sixths vesting in equal quarterly installments over the subsequent five year period. As a result of the Reorganization, the vested portion of Mr. Semmelbauer's profits interest will be exchanged for shares of our common stock and the unvested portion of Mr. Semmelbauer's profits interest will be exchanged for restricted stock having the same vesting terms. Upon the consummation of this offering, 50% of the unvested portion of Mr. Semmelbauer's profits interest will vest.

(3) Mr. Chou received a grant of 100,000 unvested Value Appreciation Right units on April 1, 2011 with one-fourth of these units vesting one year after grant date, and the remaining three-fourths vesting in equal quarterly installments over the subsequent 3 year period. Mr. Chou also received a grant of 50,000 unvested Value Appreciation Right units on December 20, 2011 with one-sixth of these units vesting one year after grant date, and the remaining five-sixths vesting in equal quarterly installments over the subsequent five year period.

(4) Mr. Bixby received a grant of 255,000 unvested Value Appreciation Right units on June 13, 2011 with one-sixth of these units vesting one year after grant date, and the remaining five-sixths vesting in equal quarterly installments over the subsequent 5 year period. Mr. Bixby also received a grant of 50,000 unvested Value Appreciation Right units on December 20, 2011 with one-sixth of the units vesting one year after grant date, and the remaining five-sixths vesting in equal quarterly installments over the subsequent five year period.

We have not made any grants of Value Appreciation Rights to our named executive officers subsequent to December 31, 2011.

Option Exercises

There were no option exercises by our named executive during the year ended December 31, 2011.

Pension Benefits

None of our named executive officers participate in or have account balances in qualified or non-qualified defined benefit plans sponsored by us.

Nonqualified Deferred Compensation

We did not maintain any nonqualified defined contribution or deferred compensation plans or arrangements for our named executive officers.

Agreements with Executive Officers

Each of our named executive officers and all of our employees are subject to certain obligations relating to non-competition, non-solicitation, proprietary information and assignment of inventions. Pursuant to these obligations, each named executive officer has agreed (i) not to solicit our employees or customers during his employment and for a period of 12 months (24 months with respect to employees and 36 months with respect to customers for Mr. Semmelbauer) after the termination of his employment or such other period as set forth below under "—Employment Agreements," or "—Severance and Change in Control Agreements," as applicable, (ii) not to compete with us or assist any other person to compete with us during his employment and a period of 12 months (36 months for Mr. Semmelbauer) after the termination of his employment or such other period as set forth below under "—Employment Agreements," or "—Severance and Change in Control Agreements," as applicable, and (iii) to protect our confidential and proprietary information and to assign to us intellectual property developed during the course of his employment. As a condition of employment with the company, all employees are required to enter an agreement providing for the foregoing obligations.

Employment Agreements

The following is a summary of the employment agreements with our named executive officers as currently in effect. As described below under "—Severance and Change in Control Agreements," our board of directors has approved severance and change in control agreements for each of our named executive officers which, where applicable, supersede and replace the terms of officers' prior employment agreements with respect to severance and change in control payments.

Jonathan Oringer. We entered into an employment agreement with Jonathan Oringer, our Chief Executive Officer, on September 24, 2012. The employment agreement has no specific term and constitutes at-will employment. Mr. Oringer's current annual base salary is $250,000. Mr. Oringer is also eligible to receive benefits that are substantially similar to those of the other executive officers of the Company. Mr. Oringer is not currently eligible for an annual cash bonus, but we may provide him with an annual cash bonus in the future. Mr. Oringer is subject to certain restrictive covenants as set forth in his CIC Agreement, as discussed below under "—Severance and Change in Control Agreements."

Thilo Semmelbauer. We entered into an employment agreement with Thilo Semmelbauer, our President and Chief Operating Officer, on March 21, 2010. The employment agreement has no specific term and constitutes at-will employment. Mr. Semmelbauer's current annual base salary is $350,000 and he is eligible for an annual cash bonus based upon achievement of performance-based objectives established by the board of directors. Mr. Semmelbauer is also eligible to receive benefits that are substantially similar to those of the other executive officers of the Company. Mr. Semmelbauer is subject to certain restrictive covenants, including non-solicitation of employees for a period 2 years following termination of his employment and non-solicitation of customers and non-competition for a period of 3 years following termination of his employment.

James Chou. We entered into an employment agreement with James Chou, our Chief Technology Officer, on September 24, 2012. The employment agreement has no specific term and constitutes at-will employment. Mr. Chou's current annual base salary is $275,000 and he is eligible for an annual cash bonus based upon achievement of performance-based objectives established by the board of directors. Mr. Chou is also eligible to receive benefits that are substantially similar to those of the other executive officers of the Company. Mr. Chou is subject to certain restrictive covenants as set forth in his CIC Agreement, as discussed below under "—Severance and Change in Control Agreements."

Tim Bixby. We entered into an employment agreement with Tim Bixby, our Chief Financial Officer, on May 16, 2011. The employment agreement has no specific term and constitutes at-will employment. Mr. Bixby's current annual base salary is $350,000 and he is eligible for an annual cash bonus based upon achievement of performance-based objectives established by the board of directors. Mr. Bixby is also eligible to receive benefits that are substantially similar to those of the other executive officers of the Company. Mr. Bixby is subject to certain restrictive covenants, including and non-solicitation and non-competition for a period of 1 year following termination of his employment.

Thilo Semmelbauer Profits Interest Grant and Repurchase Agreement

On August 17, 2010, we entered into a Profits Interest Grant and Repurchase Agreement with Mr. Semmelbauer whereby we issued a profits interest to Mr. Semmelbauer in consideration of future services to be rendered. The agreement entitles Mr. Semmelbauer to an aggregate amount of 4% of any liquidation of the LLC in excess of $300 million, subject to subsequent equity grants that may reduce this amount. Pursuant to the terms of the agreement, Mr. Semmelbauer is not entitled to any allocations or distributions relating to our operating profits outside of a liquidation scenario. The profits interest vests as to one-sixth of the interest on April 5, 2011, with the remaining five-sixths vesting in equal quarterly installments over the subsequent five year period, provided that the interest ceases to vest on the date that Mr. Semmelbauer ceases to be employed by us. Upon a change of control or qualified public offering, 50% of any unvested portion of Mr. Semmelbauer's profits interest will immediately vest, with the remaining unvested portion converting to restricted stock and continuing to vest in accordance with the vesting schedule outlined above. Accordingly, 50% of the unvested portion of Mr. Semmelbauer's profits interest will vest upon the consummation of this offering. Pursuant to the Reorganization, the vested portion of Mr. Semmelbauer's profits interest will be exchanged for shares of our common stock and the unvested portion of Mr. Semmelbauer's profits interest will be exchanged for restricted stock having the same vesting terms. For information regarding the number of shares of common stock and restricted stock to be issued to Mr. Semmelbauer in connection with the Reorganization and the number of shares of common stock and restricted stock to be held by Mr. Semmelbauer following this offering, see "Principal Stockholders."

Severance and Change in Control Agreements

As discussed above, in September 2012, the board of directors approved new severance and change in control agreements, or CIC Agreements, for each of our executive officers, the specific terms of which are discussed below.

Pursuant to the CIC Agreements, if we terminate an executive's employment with the Company for a reason other than cause (as defined in the CIC Agreements) or executive's death or disability (as defined in the CIC Agreements) at any time other than during the twenty-four month period immediately following a change of control (as defined in the CIC Agreements), then executive will receive the following severance benefits from the company: (i) severance in an amount equal to twelve months of executive's base salary, which will be paid in three equal installments on each of the following dates: (x) executive's termination of employment, (y) the six month anniversary of executive's termination and (z) the one year anniversary of executive's termination of employment (except with respect to Mr. Semmelbauer, in which case the payments will be 50% on termination of employment and 25% on each of the six month and one year anniversaries of his termination of employment); (ii) a lump sum payment of a pro rata bonus at

100% of target for the year in which the termination of employment occurs based on the number of days worked relative to 365 days; (iii) reimbursement for premiums paid for coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or COBRA, for executive and executive's eligible dependents for up to twelve months; (iv) accelerated vesting of the then-unvested portion of all of executive's outstanding equity awards as if executive had remained employed for twelve months following executive's termination of employment; (v) the post-termination exercise period for the outstanding vested options will be extended to 18 months following an executive's termination of employment; (vi) outplacement benefits for six months following termination of employment, up to a maximum of $5,000; (vii) all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to executive under any Company-provided plans, policies and arrangements and (viii) such other compensation or benefits as may be required by law.

If during the twenty-four month period immediately following a change of control, (x) we terminate an executive's employment with the Company for a reason other than cause or the executive's death or disability, or (y) an executive resigns from such employment for good reason (as defined in the CIC Agreements), then executive will receive the severance benefits discussed above except (i) the severance in clause (i) above shall be paid in a single lump sum following executive's termination of employment; (ii) in lieu of the pro rata bonus described above in clause (ii) above, executive will receive a lump sum severance payment equal to 100% of executive's full target bonus for the fiscal year in effect at the date of termination of employment; and (iii) that vesting shall accelerate as to 100% of all of executive's outstanding equity awards.

An executive's receipt of severance payments or benefits pursuant to a severance and change in control agreement is subject to the executive signing a separation agreement and release of claims and complying with restrictive covenants. For Messrs. Oringer and Chou, the restrictive covenants are contained in the CIC Agreements and restrict the executives during the employment period and the 12-month period following termination of employment from (i) soliciting employees or customers; (ii) competing against the Company; and (iii) disparging the Company. Messrs. Oringer and Chou are also restricted from disclosing confidential information at any time. Messrs. Bixby and Semmelbauer must comply with the restrictive covenants set forth in their respective employment agreements (as set forth above under "—Employment Agreements") as a condition to the receipt of severance.

Employee Benefit and Stock Plans

Value Appreciation Rights Plan

Our board of directors adopted our Value Appreciation Plan, or the VAR Plan, in March 2011. As we were a limited liability company at the time of the adoption of the VAR Plan, it provides for the grant of value appreciation rights (each award, a VAR award) in the form of notional units to eligible persons designated by the board of directors. Each VAR award generally represents the right to an amount in cash, units or other securities based on the amount by which the fair market value of a notional unit of the LLC on the date of exercise of the award exceeds the value of a notional unit on the date of grant of the award. Payment can occur in the form of cash, units or other securities at the discretion of the Board of Managers and will be equal to the appreciation in the value over the participant's grant date price. The determination of the type of payment is subject to the discretion of the Company and not the holder. As a result, the VAR awards are accounted for as equity awards. The VAR awards made under the VAR Plan are subject to a time-based vesting requirement and a condition that a change of control (as defined in the VAR Plan) occur for a payment to trigger with respect to the VAR awards. In connection with our Reorganization, the VAR awards will be exchanged for options to purchase shares of our common stock under our 2012 Omnibus Equity Incentive Plan with substantially similar exercise prices and vesting terms of the VAR awards. No new awards will be granted under our VAR Plan following this offering.

The maximum aggregate number of notional units reserved for issuance under the VAR Plan is 3,000,000. As of June 30, 2012, 1,621,000 notional units were outstanding and 1,379,000 notional units were available for future grants.

Our board of directors, or a committee that it appoints, administers the VAR Plan. The administrator has the power and authority to determine the terms of the awards, including eligibility, the exercise price, the number of notional units, the vesting schedule and exercisability of awards and the form of consideration payable upon exercise and to construe and interpret the VAR Plan and VAR grants.

Unless otherwise determined by the administrator, the VAR Plan generally does not allow for the sale or transfer of awards under the VAR Plan other than by will or the laws of descent and distribution.

In the event of certain changes made in our membership interests, appropriate adjustments will be made with respect to the VAR awards to prevent any inappropriate dilution or enlargement of the benefits or potential benefits intended to be made available under the VAR Plan.

In the event of a change of control, the VAR awards will be paid out, to the extent vested, and the unvested VAR awards will terminate on such date unless otherwise determined by the committee.

Generally, the VAR awards may only be exercised upon a change of control, but if a participant's employment terminates other than for cause (as defined in the VAR Plan) and we obtain a release of claims from the participant, we can either repurchase the participant's vested VAR awards based upon the fair market value of a notional unit on the date of termination or wait until a change in control event and cash the participant out at the lesser of the fair market value on the date of termination of employment or the date of the change of control.

Our board of directors may at any time amend, suspend or terminate the VAR Plan, provided such action does not impair the existing rights of any participant. Our VAR Plan will terminate in connection with, and contingent upon, the effectiveness of this offering.

2012 Omnibus Equity Incentive Plan

In May 2012, our board of directors approved our 2012 Omnibus Equity Incentive Plan, or the 2012 Plan. The 2012 Plan will become effective immediately prior to the effectiveness of this prospectus, subject to the approval of our stockholders. Our 2012 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or the Code, to our employees and any of our subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance units and performance shares to our employees, directors and consultants and our subsidiary corporations' employees and consultants.

After the effectiveness of this prospectus, no further grants will be made under our VAR Plan. In connection with the Reorganization, the outstanding VAR grants under our VAR Plan will be converted into options to purchase common stock granted under, and governed by the terms of, the 2012 Plan, and with similar rights and terms as the original VAR grant. See "Reorganization."

The following summary of terms of the 2012 Plan is based on the terms of the 2012 Plan as approved by the board of directors, but the terms are not final until approved by our stockholders.

Authorized Shares. The maximum aggregate number of shares that may be issued under the 2012 Plan is 6,750,000 shares of our common stock (of which, approximately 1,750,000 will be granted as options in replacement of existing VARs). In addition, the number of shares available for issuance under the 2012 Plan will be annually increased on the first day of each of our fiscal years beginning with the 2013 fiscal year, by an amount equal to the least of:

- 1,500,000 shares of our common stock;
- 3% of the outstanding shares of our common stock as of the last day of our immediately preceding fiscal year; and
- such other amount as our board of directors may determine.

Shares issued pursuant to awards under the 2012 Plan that we repurchase or that are otherwise forfeited, will become available for future grant under the 2012 Plan on the same basis as the award initially counted against the share reserve. In addition, to the extent that an award is paid out in cash rather

than shares, such cash payment will not reduce the number of shares available for issuance under the 2012 Plan.

Award Limitations. The following limits apply to any awards granted under the 2012 Plan:

- *Options and stock appreciation rights*—no employee shall be granted within any fiscal year one or more options or stock appreciation rights, which in the aggregate cover more than 500,000 shares; provided, however, that in connection with an employee's initial service as an employee, an employee's aggregate limit may be increased by 1,000,000 shares;

- *Restricted stock and restricted stock units*—no employee shall be granted within any fiscal year one or more awards of restricted stock or restricted stock units, which in the aggregate cover more than 500,000 shares; provided, however, that in connection with an employee's initial service as an employee, an employee's aggregate limit may be increased by 1,000,000 shares; and

- *Performance units and performance shares*—no employee shall receive performance units or performance shares having a grant date value (assuming maximum payout) greater than two million dollars or covering more than 500,000 shares, whichever is greater; provided, however, that in connection with an employee's initial service as an employee, an employee may receive performance units or performance shares having a grant date value (assuming maximum payout) of up to an additional amount equal five million dollars or covering up to 1,000,000 shares, whichever is greater. No individual may only have one award of performance units or performance shares for a performance period.

Plan Administration. The 2012 Plan will be administered by our board of directors, which, at its discretion or as legally required, may delegate such administration to our compensation committee and/or one or more additional committees. In the case of awards intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), the compensation committee will consist of two or more "outside directors" within the meaning of Code Section 162(m).

Subject to the provisions of our 2012 Plan, the administrator has the power to determine the terms of awards, including the recipients, the exercise price, if any, the number of shares subject to each award, the fair market value of a share of our common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise of the award and the terms of the award agreement for use under the 2012 Plan. The administrator also has the authority, subject to the terms of the 2012 Plan, to amend existing awards, to prescribe rules and to construe and interpret the 2012 Plan and awards granted thereunder.

Stock Options. The administrator may grant incentive and/or nonstatutory stock options under our 2012 Plan; provided that incentive stock options are only granted to employees. The exercise price of such options must equal at least the fair market value of our common stock on the date of grant. The term of an option may not exceed ten years; provided, however, that an incentive stock option held by a participant who owns more than 10% of the total combined voting power of all classes of our stock, or of certain of our subsidiary corporations, may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value of our common stock on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator. Subject to the provisions of our 2012 Plan, the administrator determines the remaining terms of the options (e.g., vesting). After the termination of service of an employee, director or consultant, the participant may exercise his or her option, to the extent vested as of such date of termination, for the period of time stated in his or her option agreement. Generally, if termination is due to death or disability, the option will remain exercisable for twelve months. In all other cases, the option will generally remain exercisable for three months following the termination of service. However, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights. Stock appreciation rights may be granted under our 2012 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common

stock between the exercise date and the date of grant. Subject to the provisions of our 2012 Plan, the administrator determines the terms of stock appreciation rights, including when such rights vest and become exercisable and whether to settle such awards in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant. The specific terms will be set forth in an award agreement.

Restricted Stock. Restricted stock may be granted under our 2012 Plan. Restricted stock awards are grants of shares of our common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator. Such terms may include, among other things, vesting upon the achievement of specific performance goals determined by the administrator and/or continued service. The administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and cash dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest for any reason will be forfeited by the recipient and will revert to us. The specific terms will be set forth in an award agreement.

Restricted Stock Units. Restricted stock units may be granted under our 2012 Plan, which may include the right to dividend equivalents, as determined in the discretion of the administrator. Each restricted stock unit granted is a bookkeeping entry representing an amount equal to the fair market value of one share of our common stock. The administrator determines the terms and conditions of restricted stock units including the vesting criteria, which may include achievement of specified performance criteria or continued service, and the form and timing of payment. The administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. The administrator determines in its sole discretion whether an award will be settled in stock, cash or a combination of both. The specific terms will be set forth in an award agreement.

Performance Units / Performance Shares. Performance units and performance shares may be granted under our 2012 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved and any other applicable vesting provisions are satisfied. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. For purposes of such awards, the performance goals may be one or more of the following, as determined by the administrator: (i) sales or non-sales revenue; (ii) return on revenues; (iii) operating income; (iv) income or earnings including operating income; (v) income or earnings before or after taxes, interest, depreciation and/or amortization; (vi) income or earnings from continuing operations; (vii) net income; (vii) pre-tax income or after-tax income; (viii) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (ix) raising of financing or fundraising; (x) project financing; (xi) revenue backlog; (xii) power purchase agreement backlog; (xiii) gross margin; (xiv) operating margin or profit margin; (xv) capital expenditures, cost targets, reductions and savings and expense management; (xvi) return on assets (gross or net), return on investment, return on capital, or return on shareholder equity; (xvii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xviii) performance warranty and/or guarantee claims; (xix) stock price or total stockholder return; (xx) earnings or book value per share (basic or diluted); (xxi) economic value created; (xxii) pre-tax profit or after-tax profit; (xxiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, objective customer satisfaction or information technology goals; (xxiv) objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions; (xxv) construction projects consisting of one or more objectives based upon meeting project completion

timing milestones, project budget, site acquisition, site development, or site equipment functionality; (xxvi) objective goals relating to staff management, results from staff attitude and/or opinion surveys, staff satisfaction scores, staff safety, staff accident and/or injury rates, headcount, performance management, completion of critical staff training initiatives; (xxvii) objective goals relating to projects, including project completion timing milestones, project budget; (xxviii) key regulatory objectives; and (xxix) enterprise resource planning. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance units or performance shares. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares or in some combination thereof. The specific terms will be set forth in an award agreement.

Transferability of Awards. Unless the administrator provides otherwise, our 2012 Plan generally does not allow for the transfer of awards and only the recipient of an option or stock appreciation right may exercise such an award during his or her lifetime.

Certain Adjustments. In the event of certain corporate events or changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the 2012 Plan, the administrator will make adjustments to one or more of the number and class of shares that may be delivered under the 2012 Plan and/or the number, class and price of shares covered by each outstanding award and the numerical share limits contained in the 2012 Plan. In the event of our proposed winding up, liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2012 Plan provides that in the event of a merger or change in control (other than a winding up, dissolution or liquidation), as defined under the 2012 Plan, each outstanding award will be treated as the administrator determines (including assumed, substituted or cancelled), except that if a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time.

Plan Amendment, Termination. Our board of directors has the authority to amend, suspend or terminate the 2012 Plan provided such action does not impair the existing rights of any participant. Our 2012 Plan will automatically terminate in 2022, unless we terminate it sooner.

Lock-Up Provision. For a period of 180 days following the effective date of the registration statement, the participants may not offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any of our securities however and whenever acquired (other than those included in the registration) without the prior written consent of the Company and Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. In addition, the participants agree to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the effective date of the registration statement, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release

or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the shares acquired under the 2012 Plan until the end of the applicable stand-off period.

2012 Employee Stock Purchase Plan

In May 2012, our board of directors approved our 2012 Employee Stock Purchase Plan, or the ESPP. The ESPP will become effective immediately prior to the effectiveness of this prospectus, subject to the approval of our stockholders. Our executive officers and all of our other employees will be allowed to participate in our ESPP. In general, we intend to make offerings under the ESPP that qualify under Section 423 of the Code, but may make offerings that are not intended to qualify under Section 423 of the Code to the extent deemed advisable for designated subsidiaries outside the United States. Additionally, we may make separate offerings under the ESPP, each of which may have different terms, but each separate offering will be intended to comply with the requirements of Section 423 of the Code. The following summary of terms of the ESPP is based on the terms of the ESPP as approved by the board of directors, but the terms are not final until approved by the stockholders.

A total of 2,000,000 shares of our common stock will be made available for sale under our ESPP. In addition, our ESPP provides for annual increases in the number of shares available for issuance under the ESPP on the first day of each fiscal year beginning with the 2013 fiscal year, equal to the least of:

- 1,000,000 shares of our common stock;
- 3% of the outstanding shares of our common stock on the first day of such fiscal year; and
- such other amount as our board of directors may determine.

Our board of directors or its committee has full and exclusive authority to interpret the terms of the ESPP and determine eligibility.

All of our employees are eligible to participate if they are customarily employed by us or any participating subsidiary for more than 20 hours per week and more than five months in any calendar year. However, an employee may not be granted rights to purchase stock under our ESPP if such employee:

- immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of all classes of our capital stock; or
- holds rights to purchase stock under all of our employee stock purchase plans that would accrue at a rate that exceeds $25,000 worth of our stock for each calendar year.

Our ESPP is intended to qualify under Section 423 of the Code, and provides for consecutive, non-overlapping six-month offering periods. The offering periods generally start on the first trading day on or after June 1 and December 1 of each year, except for the first such offering period which will commence on the first trading day on or after the effective date of this offering and will end on June 3, 2013. The administrator may, in its discretion, modify the terms of future offering periods.

Our ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation, which includes a participant's regular and recurring straight time gross earnings, payments for overtime and shift premium, exclusive of payments for incentive compensation, bonuses and other similar compensation. A participant may purchase a maximum of 1,000 shares of common stock during each six-month offering period.

Amounts deducted and accumulated by the participant are used to purchase shares of our common stock at the end of each six-month offering period. The purchase price of the shares will be 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the last day of the offering period. Participants may end their participation at any time during an offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation ends automatically upon termination of employment with us.

A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

In the event of our merger or change of control, as defined under the ESPP, a successor corporation may assume or substitute each outstanding purchase right. If the successor corporation refuses to assume or substitute for the outstanding purchase rights, the offering period then in progress will be shortened, and a new exercise date will be set. The plan administrator will notify each participant in writing that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless the participant has already withdrawn from the offering period.

Our ESPP will automatically terminate in 2022, unless we terminate it sooner. In addition, our board of directors has the authority to amend, suspend or terminate our ESPP, except that, subject to certain exceptions described in the ESPP, no such action may adversely affect any outstanding rights to purchase stock under our ESPP.

Non-Equity Incentive Plan

Our executive officers, with the exception of our Chief Executive Officer, are eligible for annual incentive compensation under a cash bonus plan. The plan is designed to provide awards to such individuals as an incentive to contribute to both revenue growth and profitability on a consolidated company basis and as an incentive to meet individual objectives that relate to our overall goals.

Bonuses are based on our overall financial performance and are contingent upon our attainment of revenue and EBITDA targets established by our board on an annual basis. Our board retains discretion to increase or decrease the bonus amount paid to any employee or executive, regardless of that person's target bonus or specific corporate performance metrics. There are no maximum payouts, and generally no minimum thresholds for individuals. Bonuses are paid in cash after the end of the performance period in which they were earned.

Individual bonus payments are based on a formula determined by taking each person's actual earned compensation, multiplied by a target bonus percentage, multiplied by an individual score, multiplied by the company-wide score, with discretion for rounding. Individual bonus payments are pro-rated for the portion of the fiscal year during which the executive was employed by us for those executives who were not employed by us for the entire fiscal year.

In May 2012, our board of directors approved the Shutterstock, Inc. Short-Term Incentive Plan, or the Short-Term Incentive Plan. The Short-Term Incentive Plan will become effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part. The purpose of the Short-Term Incentive Plan is to motivate and reward eligible officers and employees for their contributions toward the achievement of certain performance goals, with the intention that the incentives paid thereunder to certain executive officers of the Company be deductible during the applicable reliance period under Section 162(m) of the Code and the regulations and interpretations promulgated thereunder. The Short-Term Incentive Plan will be administered by the compensation committee, which shall have the discretionary authority to interpret the provisions of the Short-Term Incentive Plan, including all decisions on eligibility to participate, the establishment of performance goals, the amount of awards payable under the plan and the payment of awards.

Commencing with our 2013 fiscal year, we expect the compensation committee to establish cash bonus targets and corporate performance metrics for a specific performance period (not to exceed 36 months) or fiscal year pursuant to the Short-Term Incentive Plan. Corporate performance goals may be based on one or more of the following criteria, as determined by our compensation committee: (i) pre-tax income or after-tax income; (ii) income or earnings including operating income, earnings before or after taxes, interest, stock-based compensation expense, depreciation and/or amortization; (iii) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (iv) earnings or book value per share (basic or diluted); (v) return on assets (gross or net), return on investment, return on

capital, or return on equity; (vi) return on revenues; (vii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (viii) economic value created; (ix) operating margin or profit margin; (x) stock price or total stockholder return; (xi) income or earnings from continuing operations; (xii) capital expenditures, cost targets, reductions and savings and expense management; and (xiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, objective customer satisfaction or information technology goals, and objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions, each with respect to the Company and/or one or more of its affiliates or operating units. Awards issued to participants who are not subject to the limitations of Code Section 162(m) or awards to participants that are not intended to comply with the requirements of Code Section 162(m) may, in either case, take into account other factors (including subjective factors). Performance goals may differ from participant to participant, performance period to performance period and from award to award. Any criteria used may be measured, as applicable, (i) in absolute terms, (ii) in relative terms (including, but not limited to, any increase (or decrease) over the passage of time and/or any measurement against other companies or financial or business or stock index metrics particular to the Company), (iii) on a per share and/or share per capita basis, (iv) against the performance of the Company as a whole or against any affiliate(s), or a particular segment(s), a business unit(s) or a product(s) of the Company or individual project company, (v) on a pre-tax or after-tax basis, and/or (vi) using an actual foreign exchange rate or on a foreign exchange neutral basis. It is the intent that, starting in 2013, the compensation committee will establish corporate performance metrics that are both aggressive and obtainable and that the executive officers' performance at expected levels will provide the opportunity to achieve a meaningful number of the corporate goals and objectives. Following the end of the performance period, the compensation committee will approve the achievement of the corporate performance metrics and authorize the funding of the cash bonuses for that period. Under the Short-Term Incentive Plan, the maximum award that can be paid to a participant during any performance period is $2,000,000. The total awards under the Short-Term Incentive Plan may not exceed $10,000,000 during any calendar year or $30,000,000 during the applicable reliance period (within the meaning of Section 162(m)).

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above under "Executive Compensation," below we describe transactions since January 1, 2009, to which we have been a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- a director, executive officer, beneficial holder of more than 5% of our capital stock or any member of their immediate family had or will have a direct or indirect material interest.

Other than as described below, there has not been, nor is there currently proposed, any such transaction or series of similar transactions to which we have been or will be a party other than compensation arrangements, which are described where required under "Management."

Reorganization and Distributions to LLC Members

As described more fully under "Reorganization," prior to the effectiveness of the registration statement of which this prospectus is a part, we will complete the Reorganization from a New York limited liability company to a Delaware corporation. Members of the LLC affiliated with Jonathan Oringer, our chief executive officer, director and holder of more than 5% of our capital stock, Insight, which holds more than 5% of our capital stock, and Adam Riggs, a holder of more than 5% of our capital stock, will each receive final cash distributions from the LLC immediately prior to the Reorganization with respect to their membership interests. Historically we have made monthly cash distributions to these members of the LLC with respect to their membership interests and the LLC intends to continue making monthly cash distributions to these members up until the time of the Reorganization. See "Reorganization" for further details regarding the distributions.

Registration Rights Agreement

In connection with the Reorganization and termination of the LLC's operating agreement, we will enter into a registration rights agreement with Pixel Holdings Inc. (the entity through which Jonathan Oringer, our chief executive officer, holds his shares), Insight Venture Partners, Adam Riggs, Thilo Semmelbauer (our president and chief operating officer) and one of our employees who is not an executive officer, pursuant to which we will provide for certain registration rights. The registration rights will terminate five years following effectiveness of the agreement, or for any particular holder with registration rights, at such time when all securities held by that stockholder that are subject to registration rights may be sold pursuant to Rule 144 under the Securities Act during any three-month period. The holders of 28,338,281 shares of our common stock, after giving effect to the Reorganization, or their transferees, are entitled to certain rights with respect to the registration of such shares under the Securities Act. See "Description of Capital Stock—Registration Rights" below for additional information.

Customer Payments

As of December 31, 2009, 2010 and 2011, and as of June 30, 2012, Pixel Holdings Inc., which is wholly-owned by Jonathan Oringer, owed the company $97,000, $144,000, $168,000 and $0, respectively. These amounts comprised customer payments that were sent to Pixel Holdings Inc. and other miscellaneous amounts. In April 2012, all amounts owed by Pixel Holdings Inc. to the company were repaid in full.

The sole business of Pixel Holdings Inc. (which was formerly known as Shutterstock, Inc.) is as a holding company through which Mr. Oringer holds a majority interest in the LLC. Prior to June 7, 2007, our business was operated through Pixel Holdings Inc. On June 7, 2007, Pixel Holdings Inc. contributed the business to the LLC in exchange for a one hundred percent membership interest in the LLC. The LLC had no business operations prior to June 7, 2007. Following the contribution of the business to the LLC, certain of our customers continued making payments to Pixel Holdings Inc. in error.

Indemnification Arrangements

Please see "Description of Capital Stock—Limitation on Director and Officer Liability and Indemnification" for information on our indemnification arrangements with our executive officers and directors.

Executive Compensation and Employment Arrangements

Named Executive Officers

Please see "Management—Executive Compensation" for information on compensation and employment arrangements with our named executive officers.

Adam Riggs

On June 7, 2007, we entered into an Employment Agreement with Mr. Riggs, our former President, whereby we issued a membership interest to Mr. Riggs in consideration of future services to be rendered. Pursuant to the terms of the Employment Agreement, Mr. Riggs received an 8.5% membership interest in the LLC. The membership interest vested monthly, on the first day of each month, over a thirty-six month period beginning July 1, 2007, provided that Mr. Riggs remained an employee of the LLC. Upon a change of control, a qualified public offering, termination by the LLC without cause or termination by Mr. Riggs for good reason, the entire unvested portion of Mr. Riggs' membership interest would have vested immediately. Mr. Riggs ceased his employment with the LLC in September of 2010, at which time his 8.5% membership interest was fully vested. Pursuant to the Reorganization, the LLC membership interest held by Mr. Riggs will be exchanged for shares of our common stock. For information regarding the number of shares of common stock to be issued to Mr. Riggs in connection with the Reorganization and the number of shares of common stock to be held by Mr. Riggs following this offering, see "Principal Stockholders."

Policies and Procedures for Related Party Transactions

We intend to adopt a written code of business conduct and ethics, which will be effective and publicly available on our website at www.shutterstock.com upon the consummation of this offering. Under our code of business conduct and ethics, our employees, officers and directors will be discouraged from entering into any transaction that may cause a conflict of interest for us. In addition, they must report any potential conflict of interest, including related-party transactions, to a supervisor or the compliance officer of the Company, as defined in our code of business conduct and ethics, who will then review and summarize the proposed transaction for our audit committee. As provided by our audit committee charter to be effective upon completion of this offering, our audit committee is responsible for reviewing and approving in advance any related party transaction. Prior to the creation of our audit committee, our full board of directors reviewed related party transactions.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our outstanding capital stock as of September 25, 2012, after giving effect to our Reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization," and as adjusted to reflect the sale of the common stock offered by us under this prospectus by:

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

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting or investment power with respect to those securities, and include shares subject to options that are exercisable within 60 days. Such shares are also deemed outstanding for purposes of computing the percentage ownership of the person holding the option, but not the percentage ownership of any other person.

The table includes all shares of common stock issuable within 60 days of September 25, 2012 upon the exercise of options and other rights beneficially owned by the indicated stockholders on that date. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to community property laws, where applicable.

Our calculation of the percentage of beneficial ownership prior to this offering is based on 28,338,281 shares of our common stock outstanding as of September 25, 2012 after giving effect to our Reorganization, together with applicable options to the extent held by certain of our stockholders. We have based our calculation of the percentage of beneficial ownership after this offering on 32,838,281 shares of our common stock outstanding immediately after completion of this offering (assuming no exercise of the underwriters' over-allotment option), together with applicable options to the extent held by certain of our stockholders.

The actual number of shares of common stock to be issued to each stockholder in connection with the Reorganization, which will occur prior to the effectiveness of the registration statement of which this prospectus is a part, depends in part upon our valuation at the time of our initial public offering. For illustrative purposes only, the number of shares reflected in the table below is based on an assumed initial public offering price of $14.00 per share (the midpoint of the price range set forth on the cover of this prospectus).

Except as otherwise noted, the address of each person listed in the table is c/o Shutterstock, Inc., 60 Broad Street, 30th Floor, New York, New York 10004.

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Shares	Percentage	Shares	Percentage
Principal Stockholders:				
Jonathan Oringer[1]	18,586,514	65.6%	18,586,514	56.6%
Entities affiliated with Insight Venture Partners[2]	6,987,411	24.7	6,987,411	21.3
Adam Riggs[3]	2,375,720	8.4	2,375,720	7.2
Named Executive Officers and Directors:				
Jonathan Oringer[1]	18,586,514	65.6	18,586,514	56.6
Thilo Semmelbauer	276,388	1.0	276,388	*
Timothy E. Bixby[4]	63,750	*	63,750	*
James Chou[5]	37,500	*	37,500	*
Steven Berns	—	—	—	—
Jeff Epstein	—	—	—	—
Thomas R. Evans	—	—	—	—
Jeffrey Lieberman[6]	6,987,411	24.7	6,987,411	21.3
Jonathan Miller	—	—	—	—
All executive officers and directors as a group (9 persons)	25,951,563	91.3%	25,951,563	78.8%

* Represents beneficial ownership of less than 1%.

(1) Shares held by Pixel Holdings Inc. Mr. Oringer is the sole stockholder of Pixel Holdings Inc. and has sole voting and dispositive control over the shares.

(2) Includes 167,638 shares held of record by Shutterstock Investors, LLC, a Delaware limited liability company controlled by Insight Venture Partners V (Employee Co-Investors), L.P., 2,851,063 shares held of record by Shutterstock Investors I, LLC, a Delaware limited liability company controlled by Insight Venture Partners V, L.P., 863,215 shares held of record by Insight Venture Partners (Cayman) V, L.P. and 3,105,495 shares held of record by Insight Venture Partners V Coinvestment Fund, L.P. (Insight Venture Partners V (Employee Co-Investors), L.P., Insight Venture Partners V, L.P., Insight Venture Partners (Cayman) V, L.P. and Insight Venture Partners V Coinvestment Fund, L.P., collectively, the "Insight V Funds"). Insight Venture Associates V, L.L.C. is the general partner of each of the Insight V Funds. Insight Holdings Group, LLC is the manager of Insight Venture Associates V, L.L.C. Jeff Horing, Deven Parekh and Peter Sobiloff are the members of the board of managers of Insight Holdings Group, LLC and share voting and dispositive control of the shares held by the Insight V Funds. The foregoing is not an admission by Insight Ventures Associates V, L.L.C. or Insight Holdings Group, LLC that it is the beneficial owner of the shares held by the Insight V Funds. Each of Messrs. Horing, Parekh and Sobiloff disclaims beneficial ownership of the shares except to the extent of his pecuniary interest in these entities. The address of the Insight V Funds is c/o Insight Venture Partners, 680 Fifth Avenue, 8th Floor, New York, NY 10019.

(3) The address of Adam Riggs is c/o The Nelson Law Firm, LLC, White Plains Plaza, One North Broadway, White Plains, New York 10601.

(4) Consists of 63,750 shares issuable upon exercise of outstanding options exercisable within 60 days of September 25, 2012.

(5) Consists of 37,500 shares issuable upon exercise of outstanding options exercisable within 60 days of September 25, 2012.

(6) Mr. Lieberman is a Managing Director of Insight Venture Management, LLC, an entity affiliated with the Insight V Funds, but holds no voting or investment power over the shares reflected as beneficially owned by the Insight V Funds. See note (2) above for more information regarding the Insight V Funds.

DESCRIPTION OF CAPITAL STOCK

General

The following descriptions of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect upon completion of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus is a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will occur upon the completion of this offering. Prior to the effectiveness of the registration statement of which this prospectus is a part, we will be reorganized from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization."

Upon the completion of this offering, we will be authorized to issue 200,000,000 shares of common stock, $0.01 par value per share, and 5,000,000 shares of undesignated preferred stock, $0.01 par value per share.

Common Stock

As of September 25, 2012, there were 28,338,281 shares of common stock outstanding, as adjusted to give effect to our Reorganization from a New York limited liability company to a Delaware corporation, as described more fully under "Reorganization," held by 8 stockholders. Options to purchase 1,661,719 shares of common stock were also outstanding as of September 25, 2012, as adjusted to give effect to the Reorganization. There will be 32,838,281 shares of common stock outstanding (assuming no exercise of the underwriter's over-allotment option or exercise of outstanding options after September 25, 2012), after giving effect to the sale of the shares offered hereby.

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors out of funds legally available for that purpose. See "Dividend Policy." In the event of liquidation, dissolution or winding up of Shutterstock, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to the prior distribution rights of any outstanding preferred stock. The common stock has no preemptive or conversion rights or other subscription rights. The outstanding shares of common stock are, and the shares of common stock to be issued upon completion of this offering will be, fully paid and non-assessable.

Preferred Stock

There will not be any shares of preferred stock outstanding upon the closing of this offering. Under our amended and restated certificate of incorporation, which will be effective upon closing of this offering, our board of directors will have the authority, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock, $0.01 par value, in one or more series. Our board of directors will also have the authority to designate the rights, preferences, privileges and restrictions of each such series, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series.

The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Shutterstock without further action by the stockholders. The issuance of preferred stock with voting and conversion rights may also adversely affect the voting power of the holders of common stock. In certain circumstances, an issuance of preferred stock could have the effect of decreasing the market price of the common stock. We currently have no plans to issue any shares of preferred stock.

Registration Rights

In connection with the Reorganization and the termination of the LLC's operating agreement, we will enter into a registration rights agreement with Pixel Holdings Inc., Insight Venture Partners, Adam Riggs, Thilo Semmelbauer (our president and chief operating officer) and one of our employees who is not an executive officer, pursuant to which we will provide for certain registration rights. The registration rights will terminate five years following effectiveness of the agreement, or for any particular holder with registration rights, at such time when all securities held by that stockholder that are subject to registration rights may be sold pursuant to Rule 144 under the Securities Act during any three-month period. Subject to limitations in the agreement, the holders of approximately 25,573,925 of these securities then outstanding may require, on three occasions beginning six months after the date of this prospectus, that we use our best efforts to register these securities for public resale if Form S-3 is not available. If we register any of our common stock either for our own account or for the account of other security holders, the holders of these securities are entitled to include their shares of common stock in that registration, subject to the ability of the underwriters to limit the number of shares included in this offering. The holders of approximately 25,573,925 of these securities then outstanding may also require us, not more than twice in any twelve-month period, to register all or a portion of these securities on Form S-3 when the use of that form becomes available to us, provided, among other limitations, that the proposed aggregate price to the public (net of any underwriters' discounts or commissions) is at least $5 million. We will be responsible for paying all registration expenses, and the holders selling their shares will be responsible for paying all selling expenses.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect upon the closing of this offering will contain certain provisions that could have the effect of delaying, deterring or preventing another party from acquiring control of us. These provisions and certain provisions of Delaware law, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate more favorable terms with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us.

Undesignated Preferred Stock

As discussed above, our board of directors will have the ability to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Limits on Ability of Stockholders to Act by Written Consent or Call a Special Meeting

Our amended and restated certificate of incorporation will provide that our stockholders may not act by written consent, which may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws.

In addition, our amended and restated bylaws will provide that special meetings of the stockholders may be called only by the chairperson of the board, our chief executive officer, our president (in the absence of a chief executive officer) or a majority of our board of directors. Stockholders may not call a

special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Board Classification

Upon the closing of this offering, our board of directors will be divided into three classes, one class of which is elected each year by our stockholders. The directors in each class will serve for a three-year term. For more information on the classified board, see "Management—Board of Directors." A third party may be discouraged from making a tender offer or otherwise attempting to take control of us as it is more difficult and time-consuming for stockholders to replace a majority of the directors on a classified board.

No Cumulative Voting

Our amended and restated certificate of incorporation and amended and restated bylaws will not permit cumulative voting in the election of directors. Cumulative voting allows a stockholder to vote a portion or all of its shares for one or more candidates for seats on the board of directors. Without cumulative voting, a minority stockholder may not be able to gain as many seats on our board of directors as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board's decision regarding a takeover.

Amendment of Charter Provisions

The amendment of the above provisions of our amended and restated certificate of incorporation will require approval by holders of at least a majority of our outstanding capital stock entitled to vote generally in the election of directors.

Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, calculated as provided under Section 203; or
- at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written

consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We anticipate that Section 203 may also discourage takeover attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, as amended upon the closing of this offering, could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Limitation on Director and Officer Liability and Indemnification

Our amended and restated certificate of incorporation, which will be in effect upon the completion of this offering, contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

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

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect upon the completion of this offering provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of

Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

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

Market Listing

Our common stock has been approved for listing on the New York Stock Exchange under the symbol "SSTK".

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York, 11219, and its telephone number is (718) 921-8200.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our capital stock. Future sales of our common stock, or the availability of such shares for sale in the public market, could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of certain contractual and legal restrictions on resale, sales of substantial amounts of our common stock in the public market after the restrictions lapse could adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have outstanding 32,838,281 shares of common stock. Of these shares, all of the shares sold in this offering (plus any shares issued upon exercise of the underwriters' over-allotment option) will be freely tradable without restriction under the Securities Act, unless purchased by "affiliates" of Shutterstock as that term is defined in Rule 144 under the Securities Act, which generally includes officers, directors or 10% stockholders.

The remaining shares of common stock outstanding after this offering will be "restricted securities" within the meaning of Rule 144 under the Securities Act. These shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 promulgated under the Securities Act, which are summarized below. Sales of these shares in the public market, or the availability of such shares for sale, could adversely affect the market price of our common stock.

Prior to the completion of this offering, all of our directors, officers and the holders of all of our securities will have entered into lock-up agreements generally providing that they will not offer, sell, contract to sell or grant any option to purchase or otherwise dispose of any shares of our common stock or any securities exercisable for or convertible into shares of our common stock owned by them for a period of 180 days after the effective date of the registration statement filed pursuant to this offering without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. As a result of these contractual restrictions, notwithstanding possible earlier eligibility for sale under the provisions of Rules 144 and 701, shares subject to lock-up agreements will not be salable until such agreements expire or are waived by the designated underwriters' representative.

Taking into account the lock-up agreements, and assuming Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. do not release stockholders from these agreements, the following shares will be eligible for sale in the public market at the following times:

- Beginning on the effective date of this prospectus, only the shares sold in this offering will be immediately available for sale in the public market.
- Up to and including 180 days after the date of this prospectus, only the shares sold in this offering will be eligible for resale.
- More than 180 days after the date of this prospectus, the remaining 28,338,281 shares will be eligible for resale, 25,850,313 of which would be subject to volume, manner of sale and other limitations under Rule 144, as described below.

In general, under Rule 144 as currently in effect, and beginning after the expiration of the lock-up agreements (180 days after the date of this prospectus), a person (or persons whose shares are aggregated) who has beneficially owned restricted shares for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of: (i) one percent of the number of shares of common stock then outstanding (which will equal approximately 328,383 shares immediately after this offering); or (ii) the average weekly trading volume of our common stock during the four calendar weeks preceding the sale. Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about Shutterstock. Under Rule 144, a person who is not deemed to have been an affiliate of Shutterstock at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be

sold for at least one year, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

The holders of approximately 28,338,281 shares of our common stock or their transferees are also entitled to certain rights with respect to registration of those shares for offer or sale to the public. If the holders, by exercising their registration rights, cause a large number of shares to be registered and sold in the public market, the sales could have a material adverse effect on the market price for our common stock.

As a result of the lock-up agreements and the terms of our 2012 Omnibus Equity Incentive Plan and our 2012 Employee Stock Purchase Plan, our employees holding common stock or stock options may not sell shares acquired upon exercise until 180 days after the effective date. Beginning 180 days after the effective date, any employee, officer or director of or consultant who purchased shares pursuant to a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell such shares in reliance on Rule 144 without having to comply with the holding period, public information, volume limitation or notice provisions of Rule 144. In addition, we intend to file registration statements under the Securities Act as promptly as possible after the effective date to register shares to be issued pursuant to our employee benefit plans. As a result, any options exercised under the 2012 Omnibus Equity Incentive Plan or any other benefit plan after the effectiveness of such registration statement will also be freely tradable in the public market, except that shares held by affiliates will still be subject to the volume limitation, manner of sale, notice and public information requirements of Rule 144 unless otherwise resalable under Rule 701. As of September 25, 2012, there were outstanding options for the purchase of 1,661,719 shares of our common stock, of which options to purchase 0 shares were exercisable, as adjusted to give effect to the Reorganization. No shares have been issued to date under our 2012 Omnibus Equity Incentive Plan or 2012 Employee Stock Purchase Plan. See "Risk Factors—Shares Eligible for Future Sale," "Management—Employee Benefit and Stock Plans" and "Description of Capital Stock—Registration Rights."

MATERIAL U.S. FEDERAL INCOME TAX AND ESTATE TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of material U.S. federal income tax and estate tax consequences to non-U.S. holders relating to the ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as in effect on the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income or estate tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent below. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or to non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax;
- tax-exempt organizations;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities treated as pass-through entities for U.S. federal income tax purposes;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our common stock, except to the extent specifically set forth below;
- real estate investment trusts or regulated investment companies;
- certain former citizens or long-term residents of the U.S.;
- persons who hold our common stock as part of a straddle, hedge, conversion, constructive sale, or other integrated security transaction; or
- persons who do not hold our common stock as a capital asset (within the meaning of Section 1221 of the Code).

If a partnership or entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, a non-U.S. holder is a beneficial owner of shares of our common stock that is not, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state or political subdivision thereof, or the District of Columbia;
- a partnership;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) which has made an election to be treated as a U.S. person.

Distributions

If we make a distribution of cash or other property (other than certain pro rata distributions of our common stock) in respect of our common stock, the distribution will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the non-U.S. holder's adjusted tax basis in our common stock, and thereafter will be treated as capital gain. Distributions treated as dividends on our common stock held by a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30%, or at a lower rate if provided by an applicable income tax treaty and the non-U.S. holder has provided the documentation required to claim benefits under such treaty. Generally, to claim the benefits of an income tax treaty, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by the non-U.S. holder (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States), the dividend will not be subject to the 30% U.S. federal withholding tax (provided the non-U.S. holder has provided the appropriate documentation, generally an IRS Form W-8ECI, to the withholding agent), but the non-U.S. holder generally will be subject to U.S. federal income tax in respect of the dividend on a net income basis, and at graduated rates, in substantially the same manner as U.S. persons. Dividends received by a non-U.S. holder that is a corporation for U.S. federal income tax purposes and which are effectively connected with the conduct of a U.S. trade or business may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund together with the required information with the IRS.

Gain on Disposition of Common Stock

Subject to the discussion below of the Foreign Account Tax Compliance Act, or FATCA, and backup withholding, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale or other disposition of our common stock unless:

- such non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale or disposition, and certain other conditions are met;

- such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder in the United States); or

- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation" for U.S. federal income tax purposes, or a USRPHC, at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock.

A non-U.S. holder that is an individual and who is present in the United States for 183 days or more in the taxable year of such sale or disposition, if certain other conditions are met, will be subject to tax at a gross rate of 30% on the amount by which such non-U.S. holder's taxable capital gains allocable to U.S. sources, including gain from the sale or other disposition of our common stock, exceed capital losses allocable to U.S. sources, except as otherwise provided in an applicable income tax treaty.

Gain realized by a non-U.S. holder that is effectively connected with such non-U.S. holder's conduct of a trade or business in the U.S. generally will be subject to U.S. federal income tax on a net income basis, and at graduated rates, in substantially the same manner as a U.S. person (except as provided by an applicable tax treaty). In addition, if such non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We do not expect to be treated as a USRPHC as of the date hereof; however, there can be no assurances that we are not now or will not become in the future a USRPHC. If, however, we were a USRPHC during the applicable testing period, as long as our common stock is regularly traded on an established securities market, our common stock will be treated as a U.S. real property interest only for a non-U.S. holder who actually or constructively holds (at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period) more than 5% of such regularly traded stock. Please note, though, that we can provide no assurance that our common stock will remain regularly traded.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Recently Enacted Legislation Affecting Taxation of Our Common Stock Held By or Through Foreign Entities

Recently enacted legislation as part of FATCA generally will impose a U.S. federal withholding tax of 30% on dividends paid after December 31, 2013 and the gross proceeds of a disposition of our common stock paid after December 31, 2014, to a foreign financial institution unless such institution enters into an agreement with the U.S. Secretary of Treasury to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). The legislation also will generally impose a U.S. federal withholding tax of 30% on dividends paid after December 31, 2013 and the gross proceeds of a disposition of our common stock paid after December 31, 2014, to a non-financial foreign entity unless such entity provides the withholding agent with a certification (i) that such entity does not have any "substantial United States

owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the U.S. Secretary of Treasury. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to a non-U.S. holder, the non-U.S. holder's name and address, and the amount of tax withheld, if any. A similar report is sent to the non-U.S. holder. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in the non-U.S. holder country of residence.

Payments of dividends or of proceeds on the disposition of stock made to a non-U.S. holder may be subject to information reporting and backup withholding unless the non-U.S. holder establishes an exemption, for example by properly certifying the non-U.S. holder's status on a Form W-8BEN or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that the non-U.S. holder is a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

The preceding discussion of U.S. federal tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc. and Jefferies & Company, Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Deutsche Bank Securities Inc.	
Jefferies & Company, Inc.	
RBC Capital Markets, LLC	
Stifel, Nicolaus & Company, Incorporated	
William Blair & Company, L.L.C.	
Total	4,500,000

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased, or, in the case of a default with respect to the shares covered by the underwriters' over-allotment described below, the underwriting agreement may be terminated.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $ per share to other underwriters or to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 675,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise

and full exercise of the underwriters' option to purchase up to an additional 675,000 shares of common stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $4.4 million.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

Our common stock has been approved for listing on the New York Stock Exchange under the trading symbol "SSTK".

In connection with this offering, we and our directors, officers and the holders of our outstanding stock and stock options have agreed, or are otherwise subject to substantially the same contractual restrictions with us, that, without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. on behalf of the underwriters and subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus (or such earlier date or dates as agreed between us and Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc.):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares of common stock beneficially owned or any other securities convertible into or exercisable or exchangeable for common stock;

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in the immediately preceding bullet or this bullet is to be settled by delivery of our common stock or such other securities, in cash or otherwise; or

- make any demand for or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

In addition, we and all directors and officers and the holders of our outstanding stock and stock options have agreed, or are otherwise subject to substantially the same contractual restrictions with us, that, without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. on behalf of the underwriters, and subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus (or such earlier date or dates as agreed between us and Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc.), file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock. The restrictions described in the preceding paragraph do not apply to:

- sales of our common stock to the underwriters;

- transactions relating to shares of our common stock or other securities acquired in open market transactions after the completion of this offering, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of our common stock or other securities acquired in such open market transactions;

- transfers of shares of our common stock or any security convertible into or exercisable or exchangeable for shares of our common stock (i) to the spouse, domestic partner, parent, child or

grandchild of the security holder or to any trust (or similar entity) formed for the benefit of such person, (ii) by bona fide gift, will or intestacy, (iii) to equity holders, limited partners or affiliates of a security holder or (iv) to a trustor or beneficiary of a trust, provided that in the case of any such transfer or distribution, the transferee, donee or distributee must sign and deliver a lock-up letter substantially in the form of the lock-up letter signed by the holders of our outstanding stock and no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made in respect of the transfer or distribution during the 180-day restricted period;

- dispositions of shares of our common stock or any securities convertible into our common stock to us in a transaction exempt from Section 16(b) of the Exchange Act solely in connection with the payment of taxes and exercise price due with respect to stock options or warrants or the vesting of restricted securities, insofar as such stock options, warrants or restricted securities are outstanding on the date of this prospectus and provided that no public reports or filings reporting the transaction shall be required or shall be voluntarily made in respect of the disposition;

- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act, for the transfer of shares of our common stock, provided that such plan does not provide for the transfer of our common stock during the restricted period;

- transfers of shares of our common stock or any security convertible into or exercisable or exchangeable for shares of our common stock occurring by operation of law, provided such shares or security remain subject to the restrictions described in this paragraph; and

- transfers of shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock pursuant to a qualifying bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of our common stock.

The 180-day restricted period described in the preceding paragraphs will be extended if:

- during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs, or

- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period or provide notification to Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. of any earnings release, or material news or a material event that may give rise to an extension of the 180-day restricted period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

In addition, each such person has agreed that it will not engage in any transaction that may be restricted during the 34-day period beginning on the last day of the 180-day restricted period unless it requests and receives prior written confirmation from us or Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. that the restrictions described above have expired.

In order to facilitate the offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriters may over-allot in connection with this offering, creating a short position in the common stock for their own accounts. In addition, to cover over-allotments or to stabilize the price of the common stock, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in this offering, if the syndicate repurchases previously distributed common stock in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of these liabilities.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price will be the future prospects and those of our industry in general, our revenue, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. We cannot assure you that the prices at which the shares will sell in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our common stock will develop and continue after this offering.

Reserved Shares

At our request, the underwriters have reserved shares of common stock representing less than 0.5% of the offering for sale at the initial public offering price to two members of our board of directors. The number of shares of common stock available for sale to the general public will be reduced by the number of shares that we have allocated to these directors. Any shares not purchased by these directors will be offered by the underwriters to the general public on the same basis as all other shares of common stock offered. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with our instruction that the underwriters reserve these

shares for sale to the directors. The directors who purchase these shares will remain subject to the 180-day lock-up period from the date of this prospectus, as described above.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Willkie Farr & Gallagher LLP, New York, New York.

EXPERTS

The financial statements as of December 31, 2011 and 2010 and for each of the three years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits and the financial statements and notes filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. A copy of the registration statement, the exhibits and schedules thereto and any other document we file may be inspected without charge at the public reference facilities maintained by the SEC in 100 F Street, N.E., Room 1580, Washington, D.C. 20549 and copies of all or any part of the registration statement may be obtained from this office, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. Shutterstock maintains a website at www.shutterstock.com. You may also access our periodic reports, proxy statements and other information free of charge at this website as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information on such website is not incorporated by reference and is not part of this prospectus.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Managers and Members
of Shutterstock Images LLC:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of members' deficit and of cash flows present fairly, in all material respects, the financial position of Shutterstock Images LLC and its subsidiaries at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York
May 14, 2012

SHUTTERSTOCK IMAGES LLC

CONSOLIDATED BALANCE SHEETS

(In Thousands)

	December 31, 2010	December 31, 2011	June 30, 2012	Pro Forma June 30, 2012
			(unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 6,544	$ 14,097	$ 15,042	$ 9,592
Credit card receivables	703	964	1,488	1,488
Accounts receivable, net	350	647	823	823
Prepaid expenses and other current assets	365	1,554	3,592	3,592
Deferred tax assets	942	644	756	15,487
Due from related party	144	168	—	—
Total current assets	9,048	18,074	21,701	30,982
Property and equipment, net	1,703	3,844	5,479	5,479
Intangible assets, net	1,248	1,029	1,098	1,098
Goodwill	1,423	1,423	1,423	1,423
Deferred tax assets	13	58	101	—
Other assets	428	427	427	427
Total assets	$ 13,863	$ 24,855	$ 30,229	$ 39,409
LIABILITIES, REDEEMABLE PREFERRED MEMBERS' INTEREST, MEMBERS' DEFICIT AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 468	$ 1,838	$ 2,624	$ 2,624
Accrued expenses	6,532	10,875	12,472	12,472
Contributor royalties payable	3,959	5,261	6,321	6,321
Income taxes payable	316	—	—	—
Deferred revenue	19,631	28,451	33,626	33,626
Term loan facility	—	—	—	12,000
Other liabilities	51	85	90	90
Total current liabilities	30,957	46,510	55,133	67,133
Deferred tax liabilities, net	—	—	—	600
Other non-current liabilities	398	2,548	4,668	191
Total liabilities	31,355	49,058	59,801	67,924
Commitments and contingencies (Note 8)				
Redeemable preferred members' interest	36,811	33,725	29,937	—
Members' deficit:				
Common members' interest	5,699	5,699	5,699	—
Accumulated deficit	(60,002)	(63,627)	(65,208)	—
Total members' deficit	(54,303)	(57,928)	(59,509)	—
Stockholders' equity:				
Common stock	—	—	—	284
Additional paid-in capital	—	—	—	(25,727)
Retained earnings (deficit)	—	—	—	(3,072)
Total stockholders' equity	—	—	—	(28,515)
Total liabilities, redeemable preferred members' interest, members' deficit and stockholders' equity	$ 13,863	$ 24,855	$ 30,229	$ 39,409

See accompanying notes to consolidated financial statements

SHUTTERSTOCK IMAGES LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amount)

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
Revenue	$ 61,099	$ 82,973	$ 120,271	$ 54,387	$ 78,199
Operating expenses:					
Cost of revenue	21,826	32,353	45,504	21,156	30,103
Sales and marketing	10,949	17,820	31,929	13,836	23,127
Research and development	2,361	4,591	9,777	4,255	7,070
General and administrative	6,217	8,414	10,171	4,297	7,895
Total operating expenses	41,353	63,178	97,381	43,544	68,195
Income from operations	19,746	19,795	22,890	10,843	10,004
Interest income	5	19	10	7	5
Income before income taxes	19,751	19,814	22,900	10,850	10,009
Provision for income taxes	909	876	1,036	462	227
Net income	$ 18,842	$ 18,938	$ 21,864	$ 10,388	$ 9,782
Pro forma income before provision for income taxes			$ 23,910		$ 10,953
Pro forma provision for income taxes			$ 10,005		$ 4,662
Pro forma net income			$ 13,905		$ 6,291
Pro forma as adjusted net income per share of common stock:					
Basic (unaudited)			$ 0.46		$ 0.21
Diluted (unaudited)			$ 0.46		$ 0.21
Weighted average shares outstanding used to compute pro forma as adjusted net income per share of common stock:					
Basic (unaudited)			30,480,415		30,497,718
Diluted (unaudited)			30,480,415		30,523,483

See accompanying notes to consolidated financial statements

SHUTTERSTOCK IMAGES LLC

CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT

(In Thousands)

	Common Members' Interest	Accumulated Deficit	Total Members' Deficit
Balance at January 1, 2009	$ 2,949	$ (49,110)	$ (46,161)
Common members' distributions	—	(15,375)	(15,375)
Equity-based compensation	1,833	—	1,833
Preferred members' interest accretion	—	(6,804)	(6,804)
Net income	—	18,842	18,842
Balance at December 31, 2009	$ 4,782	$ (52,447)	$ (47,665)
Common members' distributions	—	(19,425)	(19,425)
Equity-based compensation	917	—	917
Preferred members' interest accretion	—	(7,068)	(7,068)
Net income	—	18,938	18,938
Balance at December 31, 2010	$ 5,699	$ (60,002)	$ (54,303)
Common members' distributions	—	(21,431)	(21,431)
Preferred members' interest accretion	—	(4,058)	(4,058)
Net income	—	21,864	21,864
Balance at December 31, 2011	$ 5,699	$ (63,627)	$ (57,928)
Common members' distributions (unaudited)	—	(11,363)	(11,363)
Net income (unaudited)	—	9,782	9,782
Balance at June 30, 2012 (unaudited)	$ 5,699	$ (65,208)	$ (59,509)

See accompanying notes to consolidated financial statements

SHUTTERSTOCK IMAGES LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	$ 18,842	$ 18,938	$ 21,864	$ 10,388	$ 9,782
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	404	874	1,520	624	1,160
Deferred taxes	(234)	(293)	253	162	(155)
Non-cash equity-based compensation	1,833	1,114	2,122	791	2,157
Bad debt reserve	—	—	256	—	50
Chargeback reserve (recovery)	(77)	—	40	—	—
Changes in operating assets and liabilities:					
Credit card receivable	(78)	(1)	(261)	(328)	(524)
Accounts receivable	—	(350)	(553)	(198)	(226)
Prepaid expenses and other current and non-current assets	(50)	(170)	(1,211)	(540)	(2,076)
Due from member	—	(47)	(24)	22	168
Accounts payable and other liabilities	2,393	2,200	5,735	2,298	2,351
Contributors payable	524	1,100	1,302	787	1,060
Income taxes payable	(342)	(11)	(316)	(316)	—
Deferred revenue	3,936	5,372	8,820	6,248	5,175
Net cash provided by operating activities	$ 27,151	$ 28,726	$ 39,547	$ 19,938	$ 18,922
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(747)	(1,116)	(3,442)	(1,529)	(2,671)
Acquisition of patents	—	—	—	(25)	(193)
Security deposit receipt (payment)	—	(103)	23	8	38
Acquisition, net of cash	(1,942)	—	—	—	—
Net cash used in investing activities	$ (2,689)	$ (1,219)	$ (3,419)	$ (1,546)	$ (2,826)
CASH FLOWS FROM FINANCING ACTIVITIES					
Members' distributions	(20,500)	(25,900)	(28,575)	(19,500)	(15,151)
Net cash used in financing activities	$ (20,500)	$ (25,900)	$ (28,575)	$ (19,500)	$ (15,151)
Net increase (decrease) in cash and cash equivalents	3,962	1,607	7,553	(1,108)	945
Cash and cash equivalents—Beginning	975	4,937	6,544	6,544	14,097
Cash and cash equivalents—Ending	$ 4,937	$ 6,544	$ 14,097	$ 5,436	$ 15,042
Supplemental Disclosure of Cash Information:					
Cash paid for:					
Income taxes	$ 1,485	$ 1,180	$ 1,225	$ 926	$ 300
Non-cash financing activities:					
Preferred members' interest accretion	$ 6,804	$ 7,068	$ 4,058	$ 3,493	$ —

See accompanying notes to consolidated financial statements

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies

Summary of Operations

Shutterstock Images LLC (the "Company" or "Shutterstock") was organized as a New York limited liability company on January 16, 2007. The Company operates an industry-leading global marketplace for commercial digital imagery. Commercial digital imagery consists of licensed photographs, illustrations and videos that companies use in their visual communication, such as websites, digital and print marketing materials, corporate communications, books, publications and video content. The Company licenses commercial digital content to its customers. Contributors upload their digital content to the Company's website in exchange for a royalty payment based on customer download activity. The Company maintains a primary office location in New York City.

Principles of Consolidation

The consolidated financial statements reflect the operations of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Statements

The unaudited interim consolidated balance sheet as of June 30, 2012, the consolidated statements of operations and cash flows for the six months ended June 30, 2011 and 2012, and the consolidated statement of members' deficit for the six months ended June 30, 2012 are unaudited. The unaudited interim financial statements have been prepared on a basis consistent with the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's financial position as of June 30, 2012 and its results of consolidated operations and cash flows for the six months ended June 30, 2011 and 2012. The financial data and the other financial information disclosed in these notes to the financial statements related to the six month periods are also unaudited. The results of operations for the six months ended June 30, 2012 are not necessarily indicative of the results to be expected for the year ending December 31, 2012 or for any other future annual or interim period.

Reorganization

The Company is currently established as a New York limited liability company (the "LLC"). In May 2012, in connection with the filing of a registration statement for the Company's proposed initial public offering (the "IPO"), the Company formed Shutterstock, Inc., a Delaware corporation, and will reorganize, by way of a merger of the LLC with and into Shutterstock, Inc., with Shutterstock, Inc. surviving in the merger (the "Reorganization"). In connection with the Reorganization, the membership interests in the LLC will be exchanged for shares of common stock of Shutterstock, Inc. prior to the IPO.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. The Company evaluates its significant

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

estimates on an ongoing basis, including, but not limited to goodwill, intangibles, equity-based compensation, income tax provisions and for certain non-income tax accruals. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Sales and Use Taxes

Amounts charged to customers or paid on behalf of customers related to sales taxes, value-added taxes and other usage taxes are classified net of revenue.

Concentration of Credit and Contributor Risk

At certain times, the Company's cash balances with any one financial institution may exceed Federal Deposit Insurance Corporation insurance limits. The Company believes it mitigates its risk by depositing its cash balances with financial institutions of high quality.

The Company's customers and contributors are located worldwide. The majority of the Company's customers purchase products by making electronic payments at the time of a transaction. The Company performs ongoing financial condition evaluations for its existing customers and performs credit evaluations for its new customers. Concentration of credit risk is limited due to the Company's large number of diversified customers. No single customer accounted for or exceeded 10% of revenue for the years ended December 31, 2009, 2010 or 2011, and the six months ended June 30, 2011 and 2012, respectively. As of December 31, 2010 and 2011 and as of June 30, 2012, no single customer accounted for or exceeded 10% of credit card receivables. As of December 31, 2010, two customers accounted for 51% of accounts receivable, and as of December 31, 2011, four customers accounted for 56% of accounts receivable. Three customers accounted for 65% of accounts receivable as of June 30, 2012. The customers that accounted for more than 10% of the Company's accounts receivable balance as of December 31, 2010 and 2011, and June 30, 2012, accounted for less than 1% of total revenue for the years ended December 31, 2010 and 2011 and for the six months ended June 30, 2012, respectively.

No single contributor accounted for or exceeded 10% of contributor royalties for the years ended December 31, 2009, 2010 and 2011, and the six months ended June 30, 2011 and 2012, respectively.

Fair Value Measurements

The fair value framework under the Financial Accounting Standards Board ("FASB") guidance requires the categorization of assets and liabilities into three levels: Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2—inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and Level 3—unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The fair value of a financial instrument is the amount for which the instrument could be exchanged in a current transaction between willing parties. Cash and cash equivalents, accounts receivable, restricted cash, accounts payable and deferred revenue carrying amounts approximate fair value because of the short

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

maturity of these instruments. The Company currently has no other financial assets or liabilities that are measured at fair value.

The Company's non-financial assets, which include property and equipment, intangibles and goodwill, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the Company is required to evaluate the non-financial asset for impairment, a resulting asset impairment would require that the non-financial asset be recorded at the fair value.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. Cash primarily consists of balances in checking and savings accounts, which are recorded at cost and approximate fair value and is considered a Level 1 measurement based on bank reporting.

Restricted Cash

The Company had $472, $425 and $425 of restricted cash recorded in other assets as of December 31, 2010 and 2011, and June 30, 2012, respectively. The restricted cash relates to security deposits for leased office locations. The carrying value of restricted cash approximates fair value.

Credit Card Receivables

The Company's credit card receivables represent amounts due from third party credit card processors. Such amounts generally convert to cash within three to five days with little or no default risk.

Accounts Receivable and Allowance for Doubtful Accounts

The Company's accounts receivable are customer obligations due under normal trade terms, carried at their face value less an allowance for doubtful accounts if required. The Company determines its allowance for doubtful accounts based on the evaluation of the aging of its accounts receivable and on a customer-by-customer analysis of its high-risk customers. The Company's reserve contemplates its historical loss rate on receivables, specific customer situations and the economic environments in which the Company operates. As of December 31, 2010, the Company determined there was no allowance needed. As of December 31, 2011 and June 30, 2012, the Company recorded an allowance for doubtful accounts of $256 and $306, respectively.

Deferred Offering Costs

Deferred offering costs consist of legal, accounting, consulting and filing fees related to the IPO. The deferred offering costs will be offset against proceeds from the IPO upon the effectiveness of the IPO. In the event the IPO is terminated, all deferred offering costs will be expensed. No amounts were deferred as of December 31, 2010. As of December 31, 2011 and June 30, 2012, the Company deferred $511 and $2,567, respectively, of offering costs which are included in prepaid expenses and other current assets.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The useful lives are as follows:

Equipment	3-5 years
Furniture and fixtures	7 years
Purchased software	3 years
Leasehold improvements	Shorter of expected useful life or lease term

Capitalized Internal Use Software

The Company accounts for the cost of computer software developed or obtained for internal use of its application service by capitalizing qualifying costs, which are incurred during the application development stage and amortizing them over the software's estimated useful life. Costs incurred in the preliminary and post-implementation stages of the Company's products are expensed as incurred. The amounts capitalized include external direct costs of services used in developing internal-use software and payroll and payroll-related costs of employees directly associated with the development activities. The Company amortizes capitalized software over the expected period of benefit, which is three years, beginning when the software is ready for its intended use. The Company had no capitalized software costs as of December 31, 2010. For the year ended December 31, 2011 and the six months ended June 30, 2012, the Company had gross capitalized costs of $297 which is included in property and equipment and amortized $17 and $49, respectively, which is included in general and administrative expense. There was no amortization expense for the six months ended June 30, 2011. The Company's policy is to amortize such capitalized costs using the straight-line method over the estimated useful life.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying value of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying value or the fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet. There were no impairment charges in 2009, 2010 or 2011 and for the six months ended June 30, 2011 and 2012.

Goodwill and Intangible Assets

Goodwill and intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually on October 1 of each fiscal year or more frequently if events occur or circumstances exist that indicate that the fair value of

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

a reporting unit may be below its carrying value. Goodwill has been allocated to the Company's reporting units, for the purposes of preparing our impairment analyses, based on a specific identification basis. In September 2011, the FASB issued authoritative guidance which gives entities the option of performing a qualitative assessment of goodwill prior to calculating the fair value of a reporting unit in "step 1" of the goodwill impairment test. If entities determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test is required to be performed. The Company adopted this newly issued authoritative guidance effective October 1, 2011. Among the factors included in the Company's qualitative assessment as of October 1, 2011 were general economic conditions and the competitive environment, actual and expected financial performance, including consideration of the Company's revenue growth and improved operating results year-over-year, forward-looking business measurements, external market conditions, and other relevant entity-specific events. Based on the results of the qualitative assessment as of October 1, 2011, the Company concluded that it is more likely than not that the fair value of its reporting unit is more than its carrying amount, and therefore performance of the two-step quantitative impairment test was not necessary. As a result of a combination of factors in the second quarter of 2012, the Company concluded that a triggering event had occurred in the Bigstockphoto, Inc. ("Bigstock") reporting unit indicating a potential impairment and a step 1 impairment test was performed as of June 30, 2012. There were no impairments of goodwill in any of the periods presented in the consolidated financial statements.

Revenue Recognition

All revenue, net of refunds, is generated from the license of digital content through subscription or usage based plans. The Company's four plans are: subscription plans, On Demand plans, pay-as-you-go, which was introduced in July 2011, and credit pack plans. The Company recognizes revenue when the following four basic criteria are met: there is persuasive evidence of an arrangement, performance or delivery of services has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. The Company considers persuasive evidence of an arrangement to be an electronic order form, or a signed contract, which contains the fixed pricing terms. Performance or delivery is considered to have occurred upon either the ratable passage of time over the contract period, a usage basis or upon the expiration of a contract period for which there are unused downloads or credits. Collectability is reasonably assured since most of the Company's customers purchase products by making electronic payments at the time of a transaction with a credit card. The Company establishes a chargeback allowance based on factors surrounding historical credit card chargeback trends and other information. As of December 31, 2010 and 2011 and June 30, 2012, the Company has recorded a chargeback allowance of $30, $70 and $70, respectively, which is included in other liabilities. Collectability is assessed for customers who pay on credit based on a credit evaluation for new customers and transaction history with existing customers. Any cash received in advance of revenue recognition is recorded as deferred revenue.

Subscription plans range in length from thirty days to one year. Subscription plan revenues are recognized on a straight-line basis using a daily convention method over the plan term. On Demand plans are for a one-year term and permit the customer to download up to a fixed number of digital content. On-demand revenues are recognized at the time the customer downloads the digital downloads on a per unit basis. Revenue related to unused digital content, if any, is recognized in full at the end of the plan term. Pay-as-you-go plans provide for individual image download. The Company recognizes revenue as the customer downloads images. Credit-pack plans are generally for a one-year term and enable the customer

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

to purchase a fixed number of credits which can then be utilized to pay for downloaded digital content. The number of credits utilized for each download depends on the digital content size and format. Credit-pack revenues are recognized based on customer usage on a per credit basis as digital content is downloaded. Revenue related to unused credits, if any, is recognized in full at the end of the plan term. Most plans automatically renew at the end of the plan term unless the customer elects not to renew. The Company recognizes revenues from its four types of plans on a gross basis in accordance with the authoritative guidance on principal-agent considerations as the Company is the primary obligor in the arrangement, has latitude in establishing the product's price, performs a detailed review of the digital content before accepting it to its library to ensure it is of high quality before it may be purchased by our customers, can reject contributor's images in its sole discretion, and has credit risk.

Customers typically pay in advance (or upon commencement of the term) via credit card, wire or check. Fees paid or invoiced in advance are deferred and recognized as described above. Customers that do not pay in advance are invoiced and are required to make payment under standard credit terms. The Company does not generally offer refunds or the right of return to customers. There are situations in which a customer may receive a refund which is determined on a case-by-case basis.

The Company also licenses digital content to customers through third party resellers. The Company contracts with third party resellers around the world to access markets where the Company does not have a significant presence. Third party resellers sell the Company's products directly to end-user customers and remit a fixed amount to the Company based on the type of plan sold. The terms of the reseller program indicate that the third party reseller is the primary obligor to the end-user customer and bears the risks and rewards as principal in the transaction. In assessing whether the Company's revenue should be reported on a gross or net basis with respect to our reseller program, the Company followed the authoritative guidance in ASC 605-45 *Principal Agent Considerations.* The Company recognizes revenue on a net basis in accordance with the type of plan sold, consistent with the plan descriptions above. The Company generally does not offer refunds or the right of return to resellers.

Cost of Revenue

The Company's cost of revenue includes contributor royalties, credit card processing fees, image and video reviewer expenses, hosting and bandwidth expenses, amortization of content intangible assets, and depreciation of network equipment, which are the direct costs related to providing content to customers. Additionally, the Company includes an allocation of overhead costs primarily related to payroll, insurance, and facilities expenses based on headcount.

Contributor Royalties and Internal Sales Commissions

Contributor royalties earned by a contributor are generally paid bi-weekly or monthly once a customer has downloaded the contributor's digital content and the contributor's royalty account has reached a certain dollar level. The Company expenses contributor royalties in the period during which a customer download occurs and includes the contributor royalties in cost of revenue.

Internal sales commissions are generally paid in the month following collection or invoicing of the commissioned receivable. Internal sales commission expense is included in sales and marketing expense. Internal sales commissions are deferred and recognized over the expected future revenue stream which is

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

generally up to twelve months. There were no internal sales commissions deferred or amortized for the year ended December 31, 2009. For the years ended December 31, 2010 and 2011 and the six months ended June 30, 2011 and 2012, the Company deferred $352, $651, $304, and $762, respectively, in internal sales commissions which is included in prepaid expenses and other current assets and amortized $256, $597, $246 and $579, respectively, in internal sales commission expense which is included in sales and marketing expense.

Research and Development

The Company expenses research and development costs as incurred, except for costs that are capitalized for software development projects that have demonstrated technological feasibility. Research and development costs are primarily comprised of development personnel salaries, equipment costs as well as allocated occupancy costs and related overhead. For the years ended December 31, 2009 and 2010, the Company did not capitalize any software costs and all research and development costs were expensed as incurred. For the year ended December 31, 2011, and the six months ended June 30, 2012, the Company capitalized $25 and $0, respectively, in costs which are included in total capitalized software costs included in property and equipment.

Advertising Costs

The Company expenses the cost of advertising and promoting its products as incurred. Such costs totaled $8,265, $13,547, $25,176, $11,111 and $18,285 for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively, which are included in sales and marketing expense.

Deferred Rent

The Company records rent expense on a straight-line basis over the term of the related lease. The difference between the rent expense recognized and the actual payments made in accordance with the lease agreement is recognized as a deferred rent liability on the Company's balance sheet. As of December 31, 2010 and 2011, and June 30, 2012, the Company has recorded a deferred rent balance of $162, $198 and $161, respectively, which is included in other non-current liabilities.

Equity-Based Compensation

The Company measures and recognizes equity-based compensation expense for all equity-based payment awards made to employees based on estimated fair values. The value portion of the award that is ultimately expected to vest is recognized as expense over the requisite service period. For awards with a change of control condition, an evaluation is made at the grant date and future periods as to the likelihood of the condition being met. Compensation expense is adjusted in future periods for subsequent changes in the expected outcome of the change of control conditions until the vesting date. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company uses the Black-Scholes option-pricing model to determine the fair value of the Value Appreciation Rights Plan ("VAR Plan") awards which is discussed further in Note 10, Valuation

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

Appreciation Rights Plan. The determination of the grant date fair value of the VAR Plan awards using an option-pricing model requires judgment and is affected by the Company's estimated fair value of its common ownership interests as well as assumptions regarding a number of other complex and subjective variables. These variables include the Company's fair value of the common ownership interest, the expected unit price volatility over the expected term of the awards, awards' exercise and cancellation behaviors, risk-free interest rates, and expected dividends, which are estimated as follows:

- ***Fair Value of Common Membership Unit.*** The Company's fair value of common ownership interest is estimated internally and approved by the Board of Managers ("BOM") because the Company is not publicly traded. The Company's intention upon granting VAR Plan awards is for the granted award to have exercisable price per unit that is not less than the per unit fair value of the Company's common equity on the date of grant. The valuations of the Company's common equity unit were prepared in accordance with the American Institute of Certified Public Accountants Statement on Standards for Valuation Services 1: *Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset*. The assumptions used in the valuation model are based on future expectations combined with the Company's judgment. In the absence of a public trading market, the Company exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of the common equity unit as of the date of each VAR Plan award grant. Some but not all of these factors included operating and financial performance, current business conditions and projections, the hiring of key personnel, the Company's history and introduction of new functionality and services, the Company's stage of development, the likelihood of achieving a liquidity event for the common ownership interests, any adjustment necessary to recognize a lack of marketability for our common ownership interests, the market performance of comparable publicly traded companies, and U.S. and global capital market conditions. The Company also obtains independent third party valuations on a periodic basis.

- ***Expected Term.*** The expected term was estimated using the simplified method allowed under Securities and Exchange Commission ("SEC") guidance.

- ***Volatility.*** As the Company does not have a trading history for its common ownership interest, the expected price volatility for the common ownership interest was estimated by taking the average historic price volatility for industry peers based on daily price observations over a period equivalent to the expected term of the VAR Plan awards. Industry peers consist of several public companies similar in size, stage of life cycle and financial leverage. The Company did not rely on implied volatilities of traded options in the industry peers' common stock because the volume of activity was relatively low. The Company intends to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of the Company's own common ownership interest price becomes available, or unless circumstances change such that the identified companies are no longer similar to the Company, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.

- ***Risk-free Interest Rate.*** The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the VAR Plan awards for each award group.

- ***Dividend Yield.*** The Company has historically paid cash dividends or distributions to its members. Once the Company completes the proposed IPO, it does not intend to pay cash dividends or distributions in the foreseeable future. As a result, the Company used an expected dividend yield of zero.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

If any of the assumptions used in the Black-Scholes model changes significantly, the VAR Plan fair value for future awards may differ materially compared with the awards granted previously. The VAR grants made under the VAR Plan are subject to a time-based vesting requirement, the majority of which vest over four years, and a condition that a change of control occur for a payment to trigger with respect to the VAR grants. In connection with the Company's Reorganization, the VAR grants will be exchanged for options to purchase shares of common stock of Shutterstock, Inc. As of December 31, 2011 and June 30, 2012, no equity-based compensation expense had been recognized because the qualifying events had not occurred. In the period in which the IPO is completed, the Company will begin recording share-based compensation expense using the accelerated attribution method, net of forfeitures, based on the grant date fair value of the VAR Plan awards.

For any equity-based awards that qualify for liability classification, the Company has elected to use the intrinsic value method to value the common membership interest in accordance with authoritative guidance on stock compensation. See Note 12, Common Member Ownership Subject to Put Feature, for further information.

Income Taxes

The Company files its income tax returns as a limited liability company and is taxed as a partnership for federal and state income tax purposes. The Company plans to reorganize from a limited liability company to a Delaware corporation prior to the effectiveness of the registration statement filed in connection with the proposed IPO. The Company recognizes no federal and state income taxes, as the members of the LLC, and not the Company itself, are subject to income tax on their allocated share of the Company's earnings. However, the Company is subject to taxation on allocable portions of its net income or other taxes based on various methodologies employed by the taxing authorities in certain localities. The Company generally makes monthly distributions to its members under the terms of the LLC's operating agreement, subject to the Company's operating cash needs.

The Company accounts for unrecognized tax benefits using a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. The Company records an income tax liability, if any, for the difference between the benefit recognized and measured and the tax position taken or expected to be taken on the Company's tax returns. To the extent that the assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. The reserves are adjusted in light of changing facts and circumstances, such as the outcome of a tax audit. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate. During the years ended December 31, 2009 and 2010, and the six months ended June 30, 2011, respectively, the Company has not recorded any liabilities for unrecognized income tax benefits. During the year ended December 31, 2011 and the six months ended June 30, 2012, the Company recorded an unrecognized income tax liability in the amount of $60 and $18, respectively.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and tax penalties in income tax expense in the consolidated statements of operations. The Company did not accrue or pay any interest or penalties related to unrecognized tax benefits for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

The Company is subject to requirements for non-income taxes, including payroll, value-added and sales-based taxes. Where appropriate, the Company has made accruals for these matters, which are reflected in the Company's consolidated financial statements.

Segment Reporting

The Company has identified four operating segments. These four operating segments have been aggregated into one reportable segment based on the aggregation criteria within the authoritative guidance on segment reporting. The Company considered the similarity of the product sold, the distribution processes involved, targeted customers, and economic characteristics among the four operating segments in its aggregation criteria evaluation. The operating segments share operational support functions such as sales, marketing, public relations, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology.

The following represents our geographic revenue based on customer location:

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
				(unaudited)	
North America	$ 21,752	$ 28,631	$ 40,536	$ 18,197	$ 27,630
Europe	25,883	33,796	47,967	22,264	29,569
Rest of the world	13,464	20,546	31,768	13,926	21,000
Total revenue	$ 61,099	$ 82,973	$ 120,271	$ 54,387	$ 78,199

Included in North America is the United States which comprises 32%, 31%, 30%, 30% and 32% of total revenue for years ended December 31, 2009, 2010, and 2011, and the six months ended June 30, 2011 and 2012, respectively. No other country accounts for more than 10% of the Company's revenue in any period. All long-lived assets are located in North America.

Foreign Currency Transactions

The Company has determined that the U.S. Dollar is its functional currency worldwide and therefore does not have any foreign currency translation adjustment. The Company does provide for customers in select countries to pay for licenses in a local currency. These foreign currency payments are converted into U.S. Dollars at the rate prevailing on the date of the transaction. Any refund for these transactions could result in a foreign currency transaction gain or loss depending on the movement of the foreign currency between the purchase date and the refund date. During the years ended December 31, 2009, 2010 and 2011, and the six months ended June 30, 2011 and 2012, the Company's foreign currency transaction activity was immaterial to the financial statements.

Recently Issued Accounting Standard Updates

On May 12, 2011, the Financial Accounting Standards Board ("FASB") issued amended authoritative guidance covering fair value measurements and disclosures. The amended guidance include provisions for (1) the application of concepts of "highest and best use" and "valuation premises", (2) an option to measure groups of offsetting assets and liabilities on a net basis, (3) incorporation of certain premiums and

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

discounts in fair value measurements, and (4) measurement of the fair value of certain instruments classified in shareholders' equity. The amended guidance is effective for interim and annual periods beginning after December 15, 2011. The Company adopted this authoritative guidance effective January 1, 2012. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In December 2011, the FASB amended its guidance for disclosures about offsetting assets and liabilities. This guidance is intended to provide enhanced disclosures that will enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities within the scope of this update. The amendments require enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. An entity is required to apply this amendment for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. This guidance relates specifically to disclosures and its adoption is not expected to have a material impact on the Company's consolidated financial statements.

In September 2011, the FASB amended its guidance for performance of goodwill impairment testing in order to simplify how entities test goodwill for impairment. The amendment allows entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a greater than 50 percent likelihood exists that the fair value is less than the carrying amount then the two-step goodwill impairment test must be performed. The guidance provided by this update becomes effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, but early adoption is permitted. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued. The Company adopted the authoritative guidance effective October 1, 2011 and applied the guidance to the annual goodwill impairment assessment during the fourth quarter of 2011. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In June 2011, the FASB amended its guidance on the presentation of comprehensive income, which is effective for annual reporting periods beginning after December 15, 2011. In December 2011, the FASB deferred the requirement to present components of reclassifications of other comprehensive income on the face of the income statement that had previously been included in the June 2011 amended standard. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements as the Company currently does not have components of comprehensive income and, as a result, the Company's net income is equal to its comprehensive income.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(1) Summary of Operations and Significant Accounting Policies (Continued)

In May 2011, the FASB amended its guidance to converge fair value measurement and disclosure requirements in U.S. GAAP with International Financial Reporting Standards ("IFRS"). This amendment addresses fair value measurement and disclosure requirements for the purpose of providing consistency and common meaning between U.S. GAAP and IFRS. This amendment is not intended to change the application of the requirements but primarily changes the wording to describe many of the requirements in U.S. GAAP for measuring fair value or for disclosing information about fair value measurements. This guidance is effective for periods beginning after December 15, 2011. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In February 2010, the FASB issued amended guidance on certain recognition and disclosure requirements for subsequent events. The amended guidance requires an entity that is a filer with the SEC to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued amended guidance on fair value measurements and disclosures. The new guidance requires additional disclosures regarding fair value measurements, amends disclosures about postretirement benefit plan assets, and provides clarification regarding the level of disaggregation of fair value disclosures by investment class. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for certain Level 3 activity disclosure requirements that will be effective for reporting periods beginning after December 15, 2010. Accordingly, the Company adopted this in 2010, except for the additional Level 3 requirements, which will be adopted in 2011. Level 3 assets and liabilities are those whose fair market value inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

(2) Unaudited Pro Forma Information

The pro forma information has been presented to give effect to the following pro forma balance sheet adjustments as further described in the "Unaudited Pro Forma and Pro Forma As Adjusted Consolidated Financial Statements" of this prospectus:

- The reclassification of the preferred members' interests from preferred interests to common stock and additional paid-in capital upon the Company's reorganization to a corporation and the exchange of all of the outstanding common members' interests of Shutterstock Images LLC for shares of common stock of Shutterstock, Inc. based on amounts outstanding as of June 30, 2012, prior to completing the Reorganization. Refer to Note 11 for further details.

- The reclassification of an executive officer's profits interest award classified as a liability from other non-current liabilities to common stock and additional paid-in capital in connection with the Reorganization. Refer to Note 12 for further details.

- The adjustment in the amount of $12,000 to increase cash and cash equivalents and term loan facility to reflect term loan facility.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(2) Unaudited Pro Forma Information (Continued)

- The adjustment to retained earnings (deficit) and additional paid-in capital related to the time-based vesting of grants under the Company's VAR Plan that convert pursuant to the Reorganization. See Note 10 for further details.

- The adjustment of $500 to accumulated deficit and additional paid-in capital relating to the vesting of a membership interest equity award granted to one of the Company's key employees in connection with the Reorganization based on the grant date fair value.

- The adjustment of $17,500 to accumulated deficit and distribution payable to reflect distributions declared and paid after June 30, 2012 and prior to the Reorganization.

The pro forma information has been presented to give effect to the following pro forma statement of operations adjustment:

- The tax effect of the reorganization of the Company from a New York limited liability company to a Delaware C-corporation. Prior to the Reorganization, the LLC was treated as a partnership and paid only city unincorporated business income tax. As a corporation, the Company will be responsible for the payment of all federal and state corporate income taxes in addition to city income tax. The unaudited pro forma net income, therefore, represents the Company's net income for the period as adjusted to give effect to the incremental provision for income taxes as if the LLC had been a corporation and subject to income taxes at an assumed combined federal, state and city tax rate of 39.4% for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively.

For the purposes of the pro forma as adjusted net income per share of common stock calculations, the Company has assumed that the Reorganization had occurred as of January 1, 2011. The basic and diluted pro forma as adjusted per share of common stock calculations are presented below (in thousands, except per share amounts). The basic pro forma as adjusted net income per share of common stock is computed by dividing net income available to common stockholders by the pro forma weighted average number of shares of common stock outstanding during the period. The diluted pro forma as adjusted net income per

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(2) Unaudited Pro Forma Information (Continued)

share of common stock calculation also assumes the conversion, exercise or issuance of all potential shares of common stock, unless the effect of inclusion would be anti-dilutive.

	Year Ended December 31, 2011	Six Months Ended June 30, 2012
Basic and Diluted pro forma as adjusted net income per share of common stock		
Numerator:		
Net income	$ 13,905	$ 6,291
Denominator:		
Weighted average shares of common stock outstanding—basic before addition for incremental shares related to the distributions and term loan facility	28,189,701	28,207,004
Add: Incremental shares representing the share equivalent of the dollar amount of distributions that exceeded earnings for the previous twelve months	1,433,571	1,433,571
Add: Incremental shares representing the share equivalent of the dollar amount of offering proceeds used to repay the term loan facility	857,143	857,143
Weighted average shares of common stock outstanding—basic	30,480,415	30,497,718
Add: Additional shares arising from the assumed exercise of options and issuance of potentially dilutive unvested restricted shares of common stock	—	25,765
Weighted average shares of common stock outstanding—diluted	30,480,415	30,523,483
Pro forma as adjusted net income per share of common stock—basic	$ 0.46	$ 0.21
Pro forma as adjusted net income per share of common stock—diluted	$ 0.46	$ 0.21

The pro forma as adjusted basic net income per share of common stock reflects (i) 28,025,855 shares of common stock resulting from the reclassification of all common and preferred members' interests to shares of common stock, (ii) 34,050 shares of common stock resulting from the reclassification of vested portion of an executive officer's profits interest award into shares of common stock in connection with the Reorganization, the issuance of 121,128 shares of common stock resulting from the accelerated vesting of 50% of the unvested profits interest award in connection with the IPO, and the issuance of 23,071 shares and 10,062 shares for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively, of common stock resulting from vesting of restricted equity awards post-Reorganization, (iii) 112,240 shares of common stock resulting from the vesting of equity awards and issuance of shares of common stock to one of our key employees in connection with the Reorganization, (iv) 1,433,571 additional shares of common stock, which represents the share equivalent of the dollar amount of the distributions declared and paid from July 1, 2011 through the date of the Reorganization, to the extent such distributions are in excess of earnings for the previous twelve months and (v) 857,143 additional shares of common stock, which represents the share equivalent to the dollar amount of the proceeds necessary to repay the term loan facility. The pro forma diluted net income per share of common stock reflects the dilution caused by the assumed exercise of stock options related to the VAR Plan and the issuance of potentially dilutive unvested restricted shares of common stock related to equity grants resulting from the modification of the profits interest award granted to an executive officer.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(3) Acquisition

On September 18, 2009, the Company acquired certain assets and liabilities of Bigstockphoto, Inc., ("Bigstock"), an internet-based microstock photography agency, for approximately $3,300 in cash. The primary purpose of the acquisition was to expand the Company's product offerings. The acquisition provided a broader range of customers and price points, primarily as a result of Bigstock's credit-based pricing plans. Goodwill arising from the acquisition consists primarily of the synergies and cost reductions through economies of scale expected and realized from combining the operation of the Company and Bigstock. The assets acquired and liabilities assumed were recognized at their fair values as of the acquisition date. The Company determined the fair value of the tangible and intangible net assets with the assistance of a third party valuation expert. The following table summarizes the recording of assets acquired and liabilities assumed as of the date of the transaction:

Cash	$ 1,404
Accounts receivable	26
Definite lived intangibles	1,550
Goodwill	1,423
Total assets	$ 4,403
Other current liabilities	15
Credit card payables	26
Commissions payable	416
Deferred revenue	600
Total liabilities	$ 1,057
Total purchase price	$ 3,346

Goodwill acquired in this acquisition is deductible for income tax purposes.

The following table summarizes the Company's unaudited pro forma revenue and net income for the years ended December 31, 2009 as if the Company acquired Bigstock as of January 1, 2009:

	Year Ended December 31, 2009
Pro forma revenue	$ 63,344
Pro forma net income	$ 19,363

The fair values of the definite lived intangibles and deferred revenue were determined using various valuation techniques. Cash, accounts receivable, other current liabilities, credit card payables and commissions payable were valued using a historical cost basis as this basis approximates fair value.

The following table summarizes the fair value estimates of the identifiable intangible assets and their weighted average useful life:

	Fair Value	Weighted Average Life (Years)
Customer relationships	$ 600	4
Trade name	400	14
Contributor content	450	15
Non-compete agreement	100	3
Total intangible assets other than goodwill	$ 1,550	

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(3) Acquisition (Continued)

The customer relationship, trade name, and non-compete agreement have been valued using the income approach method, which the Company determined was the most appropriate approach for those individual assets. The contributor content was valued using a cost approach method. Each of the intangible assets is amortized over their estimated useful life on a straight-line basis.

In connection with the acquisition, the Company entered into an employment arrangement with the owner of Bigstock. The terms of the twelve month arrangement included compensation of $800 in exchange for post-acquisition service. For the years ended December 31, 2009 and 2010, the Company recorded $200 and $600, respectively, which is included in general and administrative expense. There was no compensation related charge for the year ended December 31, 2011 and the six months ended June 30, 2011 and 2012.

(4) Goodwill and Intangible Assets

The Company's goodwill balance is attributable to its Bigstock reporting unit and is tested for impairment at least annually on October 1 or upon a triggering event. There have been no changes in the carrying amount of goodwill through June 30, 2012.

Intangible assets consist of the following as of December 31, 2010 and 2011 and June 30, 2012:

	As of December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets:			
Customer relationship	$ 600	$ (187)	$ 413
Trade name	400	(35)	365
Contributor content	450	(38)	412
Non-compete agreement	100	(42)	58
Total	$ 1,550	$ (302)	$ 1,248

	As of December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets:			
Customer relationship	$ 600	$ (338)	$ 262
Trade name	400	(64)	336
Contributor content	450	(68)	382
Non-compete agreement	100	(75)	25
Domain name	25	(1)	24
Total	$ 1,575	$ (546)	$ 1,029

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(4) Goodwill and Intangible Assets (Continued)

	As of June 30, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(unaudited)	
Amortizing intangible assets:			
Customer relationship	$ 600	$ (412)	$ 188
Trade name	400	(78)	322
Contributor content	450	(84)	366
Non-compete agreement	100	(91)	9
Domain name	25	(2)	23
Patents	193	(3)	190
Total	$ 1,768	$ (670)	$ 1,098

During 2011, the Company acquired a domain name for $25 which is being amortized over fifteen years. On March 21, 2012, the Company acquired patents for $193, which will be amortized over sixteen to nineteen years. The patents were put into service in April 2012. Amortization expense was $60, $242, $244, $122 and $124 for the years ended December 31, 2009, 2010, and 2011, and for the six months ended June 30, 2011 and 2012, respectively. The Company also determined that there was no indication of impairment for the intangible assets for all periods presented. Estimated amortization expense for the next five years is: $120 for the remaining six months of 2012, $186 in 2013, $73 in 2014, $73 in 2015, $73 in 2016 and $573 thereafter.

Based on a combination of factors that occurred in the second quarter of 2012 within the Company's Bigstock reporting unit, primarily a change in financial projections and business strategy including the re-allocation of certain technology-related personnel to a different reporting unit and a shift in marketing strategy, management concluded that a triggering event had occurred indicating potential impairment in the Bigstock reporting unit, and accordingly performed a step 1 impairment test based on ASC 350, *Intangibles—Goodwill and Other*. The Company estimated the fair value of the reporting unit using a discounted cash flow projection (also referred to as the income approach). The income approach uses a reporting unit's projection of estimated future operating results and cash flows discounted to a net present value. The Company's significant assumptions utilized in the income approach included estimated weighted-average cost of capital from a market participant point of view, projected revenues and operating expenditures which take into account expected operating margin efficiencies gained through cost reduction strategies, projected capital expenditures, and projected working capital changes. The projections are based on management's best estimates of economic and market conditions over the projected period. The Company bases its fair value estimates on assumptions it believes to be reasonable, but which are unpredictable and inherently uncertain. Future changes to the projected financial information or other significant assumptions including the weighted-average cost of capital could have a negative result on the Bigstock reporting unit's fair value. As a result of performing the step 1 test for goodwill impairment, management concluded that the fair value of the Bigstock reporting unit exceeded the carrying value. Therefore, there was no requirement to perform step 2 of the analysis and it was concluded that there is no impairment of goodwill for the Bigstock reporting unit. Long-lived assets held in the Bigstock reporting unit were also tested for recoverability and no impairment was identified.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(5) Property and Equipment

Property and equipment is summarized as follows:

	December 31, 2010	December 31, 2011	June 30, 2012 (unaudited)
Computer equipment and software	$ 2,587	$ 5,537	$ 7,950
Furniture and fixtures	411	522	723
Leasehold improvements	39	395	452
Property and equipment	3,037	6,454	9,125
Less accumulated depreciation	(1,334)	(2,610)	(3,646)
Properly and equipment, net	$ 1,703	$ 3,844	$ 5,479

Depreciation expense amounted to $344, $632, $1,276, $502 and $1,036 for the years ended December 31, 2009, 2010 and 2011, and the six months ended June 30, 2011 and 2012, respectively. Depreciation expense is included in cost of revenue and general and administrative expense based on the nature of the asset.

(6) Accrued Expenses

Accrued expenses consisted of the following:

	December 31, 2010	December 31, 2011	June 30, 2012 (unaudited)
Royalty tax withholdings	$ 3,475	$ 4,126	$ 4,432
Professional fees	1,300	1,332	941
Non-income taxes	1,096	1,742	2,028
Accrued compensation	201	2,391	1,926
Accrued marketing	28	183	1,126
Other accrued expenses	432	1,101	2,019
Total accrued expenses	$ 6,532	$ 10,875	$ 12,472

(7) Income Taxes

The following table summarizes the consolidated provision for income taxes:

	Year Ended December 31, 2009	2010	2011
Current:			
Local provision (benefit)	$ 1,143	$ 1,169	$ 723
Deferred:			
Local provision (benefit)	(234)	(293)	253
Provision for income taxes	$ 909	$ 876	$ 976

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(7) Income Taxes (Continued)

The provision for income taxes differs from statutory income tax rate as follows:

	Year Ended December 31,		
	2009	2010	2011
Local tax	4.0%	4.0%	4.0%
Permanent differences	0.6%	0.4%	0.5%
Total provision for income taxes	4.6%	4.4%	4.5%

The Company's deferred tax assets and liabilities consist of the following:

	Year Ended December 31,	
	2010	2011
Current		
Deferred revenue	$ 788	$ 547
Accrued liabilities	154	97
Current deferred tax assets	942	644
Non-current		
Depreciation and amortization	(33)	(3)
Other non-current liabilities	46	61
Non-current deferred tax assets (liabilities)	13	58
Total deferred tax assets, net	$ 955	$ 702

(8) Commitments and Contingencies

The Company leases facilities under agreements accounted for as operating leases. Rental expense for operating leases for the years ended December 31, 2009, 2010, and 2011 and the six months ended June 30, 2011 and 2012 was approximately $819, $872, $1,113, $573 and $526, respectively. Some leases have defined escalating rent provisions, which are expensed over the term of the related lease on a straight-line basis commencing with the date of possession. Any rent allowance or abatement is netted in this calculation. All leases require payment of real estate tax and operating expense increases.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2011 are as follows:

Year Ending December 31	Operating Leases
2012	$ 1,074
2013	1,033
2014	364
2015	182
Thereafter	—
Total minimum lease payments	$ 2,653

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(8) Commitments and Contingencies (Continued)

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2012 are as follows:

Period Ending December 31	Operating Leases (unaudited)
2012	$ 703
2013	1,336
2014	364
2015	182
Thereafter	—
Total minimum lease payments	$ 2,585

Capital Expenditures

During 2010, the Company began expanding server hosting facilities to accommodate increased business. As a result, the Company spent approximately $1,900 and $2,100 for servers and related hardware for the year ended December 31, 2011 and for the six months ended June 30, 2012, respectively, which is included in "Assets—Property and equipment, net" on the balance sheet. As of December 31, 2011 and June 30, 2012, the Company had committed to purchase approximately $900 and $0, respectively, in data server equipment.

Unconditional Purchase Obligations

As of December 31, 2011 and June 30, 2012, the Company had unconditional purchase obligations in the amount of $1,224 and $2,514, which consisted primarily of contracts related to infrastructure services and contractual commitments for marketing services. As of December 31, 2011, the Company's unconditional purchase obligations for the years ending December 31, 2012 and 2013 are $852 and $372, respectively. As of June 30, 2012, the Company's unconditional purchase obligations for the remainder of 2012 and for year ending December 31, 2013 are $879 and $1,635, respectively.

Legal Matters

From time to time, the Company may become party to litigation in the ordinary course of business. The Company assesses the likelihood of any adverse judgments or outcomes with respect to these matters and determines loss contingency assessments on a gross basis after assessing the probability of incurrence of a loss and whether a loss is reasonably estimable. In addition, the Company considers other relevant factors that could impact its ability to reasonably estimate a loss. A determination of the amount of reserves required, if any, for these contingencies is made after analyzing each matter. The Company's reserves may change in the future due to new developments or changes in strategy in handling these matters. Although the results of litigation and threats of litigation, investigations and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these matters will not have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. The Company currently has no reserves related to such litigation, and no active litigation matters. In addition, the

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(8) Commitments and Contingencies (Continued)

Company receives, from time to time, inquiries related to potential intellectual property infringement matters. To date, the outcome of these inquiries has not had a material impact on the Company's operations or financial results.

Indemnifications

In the ordinary course of business, the Company enters into contractual arrangements under which it agrees to provide indemnification of varying scope and terms to customers with respect to certain matters, including, but not limited to, losses arising out of the breach of Company's intellectual property warranties for damages to the customer directly attributable to the Company's breach. The Company is not liable for any damages, costs, or losses arising solely as a result of the modifications to Company content made by the customer. The standard maximum aggregate obligation and liability to any one customer for all claims is limited to $10. The Company offers certain of its customers greater levels of indemnification, including unlimited indemnification. As of December 31, 2010 and 2011 and June 30, 2012, the Company has recorded no liabilities related to indemnification obligations in accordance with the authoritative guidance for loss contingencies. Additionally, the Company believes that it has the appropriate insurance coverage in place to adequately cover such indemnification obligations, if necessary.

Employment Agreements

The Company has entered into employment and change of control arrangements with certain executive officers and with certain employees. The agreements specify various employment-related matters, including annual compensation, performance incentive bonuses, and severance benefits in the event of termination with or without cause. The Company's employment agreement between the former Bigstock owner and the Company expired in 2010. See Note 3 for further discussion.

(9) Employee Benefit Plans

The Company had a Simple IRA plan ("IRA Plan") that covered all eligible employees. The plan was implemented on June 7, 2007. The Company provided for annual discretionary employer matching contributions not to exceed 3% of employees' compensation for the year. Matching contributions were fully vested and non-forfeitable.

The Company terminated the IRA Plan on December 31, 2010 and replaced it with a 401(k) defined contribution plan ("401(k) Plan"). Similar to the IRA Plan, the Company provides for annual discretionary employer matching contributions not to exceed 3% of employees' compensation for the year. Matching contributions also are fully vested and non-forfeitable at all times.

The Company recorded $42, $77, $221, $134, and $269 of employer matching contributions for the years ended December 31, 2009, 2010, and 2011, and the six months ended June 30, 2011 and 2012, respectively.

(10) Value Appreciation Rights Plan

Since June 7, 2007, the Company has been organized as a limited liability company. Beginning in 2011, the Company granted equity awards similar to options under its Value Appreciation Rights Plan ("VAR Plan"). Such VAR Plan awards have an exercise price, a vesting period and an expiration date, in addition

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(10) Value Appreciation Rights Plan (Continued)

to other terms similar to typical equity option grant terms. For the convenience of communicating the issuance of VAR Plan awards to employees, the BOM designated a total of 3,000,000 notional units for the VAR Plan to represent 10% of the Company's overall interest. The VAR Plan awards are subject to a time-based vesting requirement and a condition that a change of control occur for a payment to trigger with respect to the VAR Plan awards. Payment can occur in the form of cash, units or other securities at the discretion of the BOM and will be equal to the appreciation in value over the participant's grant date price. The determination of the type of payment is subject to the discretion of the Company and not the holder. Additionally, the Company has never settled any VAR units with cash. As a result, the VAR units are accounted for as equity awards. Given the change-of-control condition, there was no equity based compensation charge recorded for the year ended December 31, 2011 and for the six months ended June 30, 2012. In connection with the Company's reorganization to a corporation, the VAR Plan awards will be exchanged for options to purchase shares of common stock of Shutterstock, Inc. with only a time-based vesting requirement, which will be granted pursuant to the Company's 2012 Omnibus Equity Incentive Plan.

The Company's VAR Plan awards were made in the form of notional units. The following is a summary of the Company's VAR Plan notional units and weighted average exercise price per notional unit:

	VAR Plan Units	Weighted Average Exercise Price
Units outstanding at December 31, 2010	—	$ —
Units granted	1,370,500	15.08
Units exercised	—	—
Units cancelled or forfeited	(26,000)	14.21
Units outstanding at December 31, 2011	1,344,500	$ 15.10
Units granted (unaudited)	311,500	18.03
Units exercised (unaudited)	—	—
Units cancelled or forfeited (unaudited)	(35,000)	15.39
Units outstanding at June 30, 2012 (unaudited)	1,621,000	$ 15.65

As of December 31, 2011 and June 30, 2012, no VAR Plan notional units were exercised or exercisable as no qualifying event had occurred. The intrinsic value of the total VAR Plan notional units outstanding at December 31, 2011 and June 30, 2012 was approximately $2,100 and $7,051, respectively. No VAR Plan notional units expired during the year ended December 31, 2011 and six months ended June 30, 2012. The

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(10) Value Appreciation Rights Plan (Continued)

following is a status summary of the Company's non-vested VAR Plan notional units for the year ended December 31, 2011 and the six months ended June 30, 2012:

	VAR Plan Units	Weighted Average Grant Date Fair Value
Unvested units at December 31, 2010	—	$ —
Units granted	1,370,500	5.11
Units vested	—	—
Units cancelled or forfeited	(26,000)	4.83
Unvested units at December 31, 2011	1,344,500	$ 5.48
Units granted (unaudited)	311,500	7.49
Units vested (unaudited)	(220,578)	4.74
Units cancelled or forfeited (unaudited)	(35,000)	5.84
Unvested units at June 30, 2012 (unaudited)	1,400,422	$ 6.10

Following the Reorganization, the VARs will be exchanged for options to purchase shares of the Company's common stock having the same time-based vesting schedules, which range from one to six years.

The following weighted average assumptions were used in the fair value calculation for the year ended December 31, 2011 and the six months ended June 30, 2012:

	Year Ended December 31, 2011	Six Months Ended June 30, 2012 (unaudited)
Expected term (in years)	5.5–6.6	5.2–5.8
Volatility	44%–47%	49%
Risk-free interest rate	1.4%–2.9%	1.0%–1.6%
Dividend yield	0%	0%

The unrecognized compensation charge at June 30, 2012 is $10,152 of which $2,608 represents the unrecognized charge for vested shares at June 30, 2012. The unrecognized charge for vested shares will be recognized upon the Company's Reorganization.

(11) Common Member Ownership Awards

On June 7, 2007, the Company entered into an Employment Agreement with an executive of the Company whereby the executive received an 8.5% membership interest in the Company in consideration of future services to be rendered over a thirty-six month period starting on July 1, 2007. The Company recorded a compensation charge of $1,833, and $917 during the years ended December 31, 2009 and 2010, respectively, related to this membership interest award based upon the award's fair market value on the date of grant. There was no compensation charge recorded during the year ended December 31, 2011 as the executive was fully vested as of December 31, 2010.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(11) Common Member Ownership Awards (Continued)

On November 1, 2007, the Company entered into a Profits Interest Grant and Repurchase Agreement (a "Profits Interest Agreement") with an employee of the Company whereby the employee received a 0.4% membership interest in the Company in consideration of future services to be rendered over a forty-eight month period starting on January 1, 2008. The Profits Interest Agreement terms stipulate that the executive shall have no rights to allocations or distributions relating to the Company's operating profits. Only upon a Liquidation of the Company, as defined in the Company's operating agreement, shall the executive be entitled to operating profits of the Company. In connection with the Reorganization, this membership interest in the LLC will be exchanged for shares of the Company's stock, which will not contain a liquidation condition. The award was determined to meet the characteristics of an equity based award and will be measured at fair value on the grant date. Based on the evaluation of the change of control condition, the Company has recorded no compensation charge to date for this award and will record a compensation charge based on fair value at the grant date when it is probable that the change of control condition will be achieved. The unrecognized compensation charge at December 31, 2011 and June 30, 2012 is $509.

(12) Common Member Ownership Subject to Put Feature

On August 17, 2010, the Company entered into a Profits Interest Agreement with an executive whereby the Company issued a membership interest in the Company in consideration of future services to be rendered. The Profits Interest Agreement terms stipulate that the executive shall have no rights to allocations or distributions relating to the Company's operating profits. Only upon a Liquidation of the Company, as defined in the Company's operating agreement, shall the executive be entitled to operating profits of the Company. In connection with the Reorganization, this membership interest in the LLC will be exchanged for shares of the Company's stock, which will not contain a liquidation condition. The Profits Interest Agreement was effective as of April 5, 2010 and entitles the executive to an aggregate amount of 4% of any liquidation of the Company's in excess of $300,000. The Profit Interest Grant vests over a six year period. The Profits Interest Agreement also contains a put feature whereby the executive has the option to put back to the Company up to 10% annually of any vested portion of the membership interest at the fair value on the date the executive would sell the vested interest back to the Company. Since the put feature does not subject the executive to the typical risks of stock ownership, the membership interest is classified as a liability and recorded utilizing the intrinsic method. The Company's process for determining the fair value of the awards includes consideration of third party valuation reports and the fair value determined served as the basis for calculating the compensation charge. The Company recorded compensation charge of $197, $2,122 and $2,157 during the years ended December 31, 2010 and 2011 and the six months ended June 30, 2012, which is included in other non-current liabilities as of December 31, 2010 and 2011 and June 30, 2012, respectively. This liability will be re-measured each future reporting period until a Liquidation occurs. Additionally, upon the occurrence of a Change in Control or Qualified Public Offering, as defined in the Company's operating agreement, 50% of any unvested portion at that date will vest immediately, while the remaining portion will convert to restricted stock and continue to vest over the remaining vesting period through April 5, 2016. The unrecognized compensation charge for the unvested portion of this membership interest at June 30, 2012 is $7,523, which reflects the current valuation of the award.

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(13) Permanent and Non-Permanent Members' Equity

Common Members' Equity

Permanent members' equity consists of common membership interests. Only certain members have voting rights as designated in the Company's Operating Agreement with respect to any action presented for a vote of the Company's members and only certain members are entitled to profit interest distributions from the Company's earnings. Common membership may not be transferred without prior consent from the Company's BOM.

Preferred Members' Equity

On June 6, 2007, the Company's then sole shareholder sold 25% of the common members' equity to outside investors for an aggregate purchase price of $60,000. On February 28, 2008, the outside investors paid a purchase price adjustment in the amount of $1,800 to the selling member as a result of the Company achieving an EBITDA Target as defined in the purchase agreement. The outside investors have the same rights and terms as common members' equity holders except for a liquidation preference and a put preference. The put preference provides the outside investors with the option to redeem their investment for cash with proper notice to the Company on June 6, 2011 or thereafter. As of December 31, 2011 and June 30, 2012, the outside investors have not exercised this put preference. The Company treated this transaction as an equity modification. As a result, the Company recorded the change in the fair value of the 25% interest immediately prior to and after the modification of the equity interest as a deemed dividend and charged it against common members' deficit on the modification date. The Company accreted the difference between the carrying value of the preferred membership interest and the redemption value by applying the effective interest method. The Company has concluded that the preferred interest possesses characteristics and risks more similar to equity and has classified such instrument outside of permanent equity. Since the preferred members' have the option to redeem their investment for cash with proper notice to the Company on June 6, 2011 or thereafter, the Company recorded the transaction outside of permanent equity. The purchase agreement also provides for the reduction of preferred interests for any distributions paid to the preferred holders. A summary of the Company's preferred members' interest account activity is as follows:

	Balance
Balance as of January 1, 2009	$ 34,539
Preferred interest accretion	6,804
Distributions	(5,125)
Balance as of December 31, 2009	36,218
Preferred interest accretion	7,068
Distributions	(6,475)
Balance as of December 31, 2010	36,811
Preferred interest accretion	4,058
Distributions	(7,144)
Balance as of December 31, 2011	33,725
Distributions (unaudited)	(3,788)
Balance as of June 30, 2012 (unaudited)	$ 29,937

SHUTTERSTOCK IMAGES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In Thousands, Except Share and Per Share Data)

(13) Permanent and Non-Permanent Members' Equity (Continued)

Distributions to Members

In accordance with the Company's Amended and Restated Limited Liability Company Agreement, cash distributions to the members will be based on their respective percentage interests to the extent cash is available as determined by the board. Distributions will also be limited to the extent that liabilities, excluding any owed to the members, exceed fair market value of the Company's assets. Upon a dissolution event of the Company, any assets will be distributed 1) to creditors, including members who are creditors, by payment or provision for payment of the debt and liabilities of the Company and the expenses of the liquidation; 2) to the setup of any reserves that are reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company; 3) to the preferred members until they have received distributions which, when aggregated with all prior distributions made to them equal their liquidation preference; 4) to Pixel Holdings Inc. which is the Company's majority member, until such time that it has received distributions equal to the liquidation preference paid to the preferred members; 5) 75% to the common member with 8.5% membership interest, and 25% to the preferred members, until the aggregate amount of the distributions made to the 8.5% membership interest holder equals the product of $120,000 multiplied by their vested percentage; and 6) and finally to the members in proportion to their percentage interests.

(14) Related Parties

From time to time, customers will send payment for purchased subscriptions to Pixel Holdings Inc., which is wholly owned by the Company's majority interest holder. The Company recognizes revenue in accordance with its revenue recognition policy and collects the receivable from Pixel Holdings Inc. As of December 31, 2010 and 2011 and as of June 30, 2012, uncollected payments were $144, $168, and $0, respectively, and are included in due from member.

(15) Subsequent Events

For the consolidated financial statements for the year ended December 31, 2011, the Company evaluated subsequent events through May 14, 2012, which is the date the consolidated financial statements were issued.

(16) Subsequent Events (unaudited)

For the interim consolidated financial statements as of June 30, 2012, and for the six months then ended, the Company has evaluated subsequent events through August 9, 2012, which is the date the financial statements were issued.

From July 1, 2012 through August 9, 2012, the Company distributed $1,250 to its members. No additional distributions have been declared through August 9, 2012.


fresh
fast
creative
trusted
innovative
global
growing
friendly
shutterstock

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All expenses will be borne by the registrant. All amounts shown are estimates except the SEC registration fee, the FINRA filing fee and the NYSE listing fee.

Item	Amount
SEC registration fee	$ 8,896
FINRA filing fee	8,263
Initial NYSE listing fee	162,560
Printing and engraving expenses	300,000
Legal fees and expenses	2,000,000
Accounting fees and expenses	1,500,000
Transfer Agent and Registrar fees	5,000
Miscellaneous fees and expenses	415,281
Total	$ 4,400,000

* To be provided by amendment

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

As permitted by Section 102(b)(7) of the Delaware General Corporation Law, the registrant's certificate of incorporation to be in effect upon the closing of this offering includes provisions that eliminate the personal liability of its directors for monetary damages for breach of their fiduciary duty as directors, except for the following:

- any breach of the director's duty of loyalty to the registrant or its stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the Delaware General Corporation Law (regarding unlawful dividends and stock purchases); or
- any transaction from which the director derived an improper benefit.

To the extent Section 102(b)(7) is interpreted, or the Delaware General Corporation Law is amended, to allow similar protections for officers of a corporation, such provisions of the registrant's certificate of incorporation shall also extend to those persons.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, the bylaws of the registrant to be effective upon completion of this offering provide that:

- The registrant shall indemnify its directors and officers for serving the registrant in those capacities or for serving other business enterprises at the registrant's request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.

- The registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.

- The registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

- The registrant will not be obligated pursuant to the bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by the registrant's board of directors or brought to enforce a right to indemnification.

- The rights conferred in the bylaws are not exclusive, and the registrant is authorized to enter into indemnification agreements with its directors, officers, employees and agents and to obtain insurance to indemnify such persons.

The registrant's policy is to enter into separate indemnification agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the Delaware General Corporation Law and also provides for certain additional procedural protections. The registrant also maintains directors and officers insurance to insure such persons against certain liabilities.

These indemnification provisions and the indemnification agreements entered into between the registrant and its officers and directors may be sufficiently broad to permit indemnification of the registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification in limited circumstances by the underwriters of the registrant and its officers and directors for certain liabilities arising under the Securities Act of 1933 and otherwise.

Item 15. Recent Sales of Unregistered Securities

Since January 1, 2009, the registrant's predecessor, Shutterstock Images LLC, or the LLC, has issued and sold the following securities:

1. In August 2010, the LLC granted to an executive officer, in connection with his employment agreement, an equity interest in the company equal to 4% of the amounts distributed to the members of the LLC in excess of $300 million.

2. Since January 1, 2009, the LLC has granted value appreciation rights, or VARs, equal to an aggregate of 5.8% of the LLC, at a weighted average exercise price of $15.64 to 270 employees and directors under the Shutterstock Images LLC Value Appreciation Plan. The 270 employees and directors referenced above is comprised of 4 of our directors, 2 of our named executive officers, 218 of our other current employees and 46 of our former employees. The above-referenced VAR grants were deemed to be exempt from registration pursuant to Rule 701 promulgated under the Securities Act of 1933, as amended, as transactions pursuant to a compensatory benefit plan approved by the LLC's board. The VAR grant recipients were provided with a copy of the LLC's Value Appreciation Plan at the time of grant and, to the extent required by applicable law, the VAR grant recipients were accredited or sophisticated and either received adequate information about the LLC or had access, through their relationships with the LLC, to such information.

3. In connection with the registrant's reorganization from a New York limited liability company to a Delaware corporation, which will occur prior to this offering, Shutterstock, Inc. will issue an aggregate of 28,338,281 shares of its common stock to existing members of the LLC and options to purchase 1,661,719 shares of common stock at a weighted average exercise price of $15.79 to

existing holders of VAR grants in the LLC pursuant to the registrant's 2012 Omnibus Equity Incentive Plan.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering, and the registrant believes the transactions were exempt from the registration requirements of the Securities Act of 1933 in reliance on Section 4(2) thereof, and the rules and regulations promulgated thereunder, or Rule 701 thereunder, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under such Rule 701. The recipients of securities in such transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in such transactions. If applicable, the recipient of securities were accredited or sophisticated and either received adequate information about the registrant or had access, through his relationships with the registrant, to such information.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The list of exhibits is set forth under "Exhibit Index" at the end of the registration statement and is incorporated by reference herein.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in our consolidated financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 4 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York on September 27, 2012.

SHUTTERSTOCK, INC.

By: /s/ JONATHAN ORINGER
Jonathan Oringer
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 4 to Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ JONATHAN ORINGER Jonathan Oringer	Founder, Chief Executive Officer and Director (Principal Executive Officer)	September 27, 2012
/s/ THILO SEMMELBAUER Thilo Semmelbauer	President and Chief Operating Officer	September 27, 2012
/s/ TIMOTHY E. BIXBY Timothy E. Bixby	Chief Financial Officer (Principal Financial and Accounting Officer)	September 27, 2012
* Steven Berns	Director	September 27, 2012
* Jeff Epstein	Director	September 27, 2012
* Thomas R. Evans	Director	September 27, 2012
* Jeffrey Lieberman	Director	September 27, 2012
* Jonathan Miller	Director	September 27, 2012

*By: /s/ JONATHAN ORINGER
Jonathan Oringer
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
2.1	Form of Agreement and Plan of Merger, dated as of , 2012, between the Registrant and Shutterstock Images LLC.
2.2	Form of Agreement and Plan of Merger, dated as of , 2012, among the Registrant, Shutterstock Investors II, Inc., Insight Venture Partners (Cayman) V, L.P., Shutterstock Investors III, Inc. and Insight Venture Partners V Coinvestment Fund, L.P.
3.1#	Certificate of Incorporation of the Registrant, as currently in effect.
3.2#	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon the closing of this offering.
3.3#	Bylaws of the Registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon the closing of this offering.
4.1	Intentionally omitted.
4.2	Form of Registration Rights Agreement between the Registrant and the investors listed on Schedule 1 thereto, to be in effect prior to the closing of this offering.
5.1	Opinion of Orrick, Herrington & Sutcliffe LLP.
10.1#+	Form of Indemnification Agreement between the Registrant and each of its Officers and Directors.
10.2+	2012 Omnibus Equity Incentive Plan and Form of Award Agreements.
10.3#+	2012 Employee Stock Purchase Plan and Form of Subscription Agreement.
10.4#	Lease Agreement, between Shutterstock Images LLC and Wells 60 Broad Street, LLC, dated November 6, 2008.
10.5#	Amendment to Lease between Wells 60 Broad Street, LLC and Shutterstock Images LLC, dated as of March 21, 2012.
10.6#	Sublease between Shutterstock Images LLC and WJB Capital Group, Inc., dated as of November 18, 2010.
10.7#+	Shutterstock, Inc. Short-Term Incentive Plan.
10.8(a)+	Employment Agreement between Shutterstock Images LLC and Jonathan Oringer dated September 24, 2012.
10.8(b)+	Severance and Change in Control Agreement between Shutterstock Images LLC and Jonathan Oringer dated September 24, 2012.
10.9(a)+	Employment Agreement between Shutterstock Images LLC and Thilo Semmelbauer dated March 21, 2010.
10.9(b)+	Severance and Change in Control Agreement between Shutterstock Images LLC and Thilo Semmelbauer dated September 24, 2012.
10.10(a)+	Employment Agreement between Shutterstock Images LLC and Timothy E. Bixby dated May 16, 2011.
10.10(b)+	Severance and Change in Control Agreement between Shutterstock Images LLC and Timothy E. Bixby dated September 24, 2012.

Exhibit Number	Description
10.11(a)+	Employment Agreement between Shutterstock Images LLC and James Chou dated September 24, 2012.
10.11(b)+	Severance and Change in Control Agreement between Shutterstock Images LLC and James Chou dated September 24, 2012.
10.12	Loan and Security Agreement between Silicon Valley Bank and Shutterstock Images LLC dated September 21, 2012.
21.1#	List of Subsidiaries.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Orrick, Herrington & Sutcliffe LLP (included in Exhibit 5.1).
24.1#	Power of Attorney.
99.1	Consent of L.E.K. Consulting LLC.

* To be filed by amendment.

\# Previously filed.

\+ Indicates a management contract or compensatory plan or arrangement.

Exhibit 1.1

[·] Shares

SHUTTERSTOCK, INC.

COMMON STOCK, PAR VALUE $0.01 PER SHARE

FORM OF UNDERWRITING AGREEMENT

[·], 2012

[·], 2012

Morgan Stanley & Co. LLC
Deutsche Bank Securities Inc.
Jefferies & Company, Inc.
As representatives of the several Underwriters
named in Schedule I hereto

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

Jefferies & Company, Inc.
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

Shutterstock, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**") an aggregate of [·] shares of common stock, par value $0.01 per share, of the Company (the "**Firm Shares**").

The Company also proposes to issue and sell to the several Underwriters not more than an additional [·] shares of common stock, par value $0.01 per share, of the Company (the "**Additional Shares**"), if and to the extent that Morgan Stanley & Co. LLC ("**Morgan Stanley**"), Deutsche Bank Securities Inc. ("**Deutsche Bank**") and Jefferies & Company, Inc., as the managers of the offering (collectively, the "**Managers**" or "**you**"), shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares**." The shares of common stock, par value $0.01 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock**."

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement, including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration

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statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus**." If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus together with the documents and pricing information, if any, set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

Morgan Stanley has agreed to reserve a portion of the Shares to be purchased by it under this Agreement for sale to the Company's independent directors (the "**Participants**"), as set forth in the Prospectus under the heading "Underwriters" (the "**Issuer-Directed Share Program**"). The Shares to be sold by Morgan Stanley and its affiliates pursuant to the Issuer-Directed Share Program are referred to hereinafter as the "**Issuer-Directed Shares**". Any Issuer-Directed Shares not orally confirmed for purchase by any Participant by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

1. *Representations and Warranties of the Company*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission

thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an “ineligible issuer” in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company has been duly organized, is validly existing and in good standing under the laws of the jurisdiction of its

organization, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as otherwise disclosed in the Time of Sale Prospectus.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company will, on the Closing Date, conform as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares to be sold by the Company have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares to be sold by the Company have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) applicable law, (ii) the certificate of incorporation or by-laws of the Company, (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except that in the case of clause (iii) as would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares; and the consummation of the reorganization of the Company from a New York limited liability company to a Delaware corporation prior to the execution of this Agreement, which is described in the Registration Statement and the Prospectus, did not contravene any provision of the Company’s Amended and Restated Limited Liability Company Agreement, as amended and in effect as of immediately prior to such reorganization, or any provision of (i) applicable law, (ii) any agreement or other

instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iii) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and proceedings that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described; and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(m) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in

the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) Except as described in the Time of Sale Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(r) Neither the Company nor any of its subsidiaries or affiliates, nor any director, officer, or employee, nor, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage; and the Company and its subsidiaries and affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintain and will continue to maintain policies and procedures designed to promote and achieve compliance with such laws.

(s) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(t) (i) Neither the Company nor any of its subsidiaries, nor any director, officer, or employee thereof, nor, to the Company's knowledge, any agent, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the United Nations Security Council ("**UNSC**"), the European Union ("**EU**"), Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"), nor

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, Libya, North Korea, Sudan and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner,

that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions, except as otherwise permissible under OFAC regulations or exemptions thereto including, without limitation, the Berman Amendment.

(u) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or

long-term debt of the Company and its subsidiaries, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively.

(v) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them that is material to the business of the Company and its subsidiaries taken as a whole, in each case free and clear of all liens, encumbrances and defects except such as are described in the Time of Sale Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus.

(w) The Company and its subsidiaries license or otherwise have a valid right to use all (i) registered and unregistered trademarks and service marks and trade names, and all goodwill associated therewith, (ii) patents, inventions and computer programs (including password unprotected interpretive code or source code), (iii) trade secrets and other confidential information, (iv) registered and unregistered copyrights in all works, including software programs, and (v) domain names (collectively "**Intellectual Property**") currently employed by them in connection with the business now operated by them, except where the failure to license or otherwise have a valid right to use any of the foregoing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; and neither the Company nor any of its subsidiaries has infringed or received any notice of infringement of or conflict with Intellectual Property rights of others or in regard to rights of privacy or publicity which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole. To the Company's knowledge, the Company has not obtained or used any of its Intellectual Property in violation of any contractual obligation of the Company or any of its subsidiaries or their respective officers, directors or employees. To the Company's knowledge, no person or entity is infringing or misappropriating the Company's Intellectual Property in a material way or has challenged the rights of the Company or any subsidiary to their Intellectual Property or the validity or enforceability of such Intellectual Property. The Company and its subsidiaries have taken reasonable measures to protect their rights in Intellectual Property, including by maintaining the confidentiality of their trade secrets and preventing the unauthorized dissemination of their confidential information or, to the extent required by contract, the confidential information of third parties in their possession.

(x) No labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that could have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(y) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(z) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess any such certificate, authorization or permit would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(aa) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles ("**U.S. GAAP**") and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(bb) The Company and its subsidiaries are in compliance with and conduct their business in conformity with, all applicable laws and regulations,

except where the failure to so comply or conform would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(cc) Except as described in the Time of Sale Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(dd) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, the Time of Sale Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Issuer-Directed Share Program.

(ee) No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Issuer-Directed Shares in any jurisdiction where the Issuer-Directed Shares are being offered.

(ff) The Company has not offered, or caused Morgan Stanley or any Morgan Stanley Entity as defined in Section 10 to offer, Shares to any person pursuant to the Issuer-Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(gg) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, have a material adverse effect) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not have a material adverse effect, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect.

(hh) The Company and each of its subsidiaries have complied and are presently in compliance with all applicable laws and regulations regarding privacy, data protection and the collection, use, transfer, import, export, storage, protection, disposal and disclosure by the Company and its subsidiaries of personal information or other information relating to persons protected by law, except where the failure to comply would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(ii) The award agreements issued pursuant to the Company's stock-based compensation plans and agreements to be in effect upon the closing of the transactions contemplated by this Agreement will contain provisions for the benefit of the Underwriters substantially similar to those contained in Exhibit A specifying that shares of Common Stock acquired by a participant therein may not be sold, transferred or otherwise disposed of during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, as such period may be extended as described in Exhibit A, and the Company will not release or purport to release any person from such provision nor will the Company amend such stock-based compensation plans and agreements to eliminate such provisions, in each case without the prior written consent of Morgan Stanley and Deutsche Bank on behalf of the Underwriters.

(jj) From the time of the initial filing of the Registration Statement with the Commission through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**").

(kk) The Company (i) has not engaged in any Testing-the-Waters Communication and (ii) has not authorized anyone else to engage in Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications. "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act. "**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(ll) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, and (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(mm) Any statistical or market-related data included in the Registration Statement, the Prospectus and the Time of Sale Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be

reliable and accurate and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

2. *Agreements to Sell and Purchase*. The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company at $[·] a share (the "**Purchase Price**") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the number of Firm Shares to be sold by the Company as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters up to [·] Additional Shares at the Purchase Price, and the Underwriters shall have the right to purchase, severally and not jointly, up to [·] Additional Shares at the Purchase Price, *provided, however*, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears

the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

The Company hereby agrees that, without the prior written consent of Morgan Stanley and Deutsche Bank on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to

another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, other than registration statements on Form S-8 relating to the resale of shares issued by the Company upon exercise of options granted or to be granted by the Company pursuant to any employee benefit plan, the terms of which have been disclosed in the Time of Sale Prospectus.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof, provided that such option, warrant or security is identified in the Time of Sale Prospectus, (c) the issuance by the Company of Common Stock or other securities convertible into or exercisable for shares of Common Stock pursuant to the stock-based compensation plans of the Company and its subsidiaries, provided that such plans are described in the Time of Sale Prospectus, (d) the entry into an agreement providing for the issuance by the Company of shares of Common Stock or any security convertible into or exercisable for shares of Common Stock in connection with the acquisition by the Company or any of its subsidiaries of the securities, business, property or other assets of a third party or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any such securities pursuant to any such agreement and (e) the entry into an agreement providing for the issuance of shares of Common Stock or any security convertible into or exercisable for shares of Common Stock in connection with joint ventures, commercial relationships or other strategic transactions, in each case with a third party, and the issuance of any such securities pursuant to any such agreement; provided that in the case of clauses (d) and (e), the aggregate number of shares of Common Stock that the Company may sell or issue or agree to sell or issue pursuant to clauses (d) and (e) shall not exceed 10% of the total number of shares of the Company's Common Stock issued and outstanding immediately following the completion of the transactions contemplated by this Agreement; and provided further, that any such securities issued pursuant thereto shall be subject to transfer restrictions substantially similar to those contained in Exhibit A, and the Company shall enter stop transfer instructions with the Company's transfer agent and registrar on such securities, which the Company agrees it will not waive or amend without the prior written consent of Morgan Stanley and Deutsche Bank.

Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the

restrictions imposed by this Agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify Morgan Stanley and Deutsche Bank of any earnings release, news or event that may give rise to an extension of the initial 180-day restricted period.

If Morgan Stanley and Deutsche Bank, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 5(g) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

3. *Terms of Public Offering*. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at $[·] a share (the "**Public Offering Price**") and to certain dealers selected by you at a price that represents a concession not in excess of $[·] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $[•] a share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery*. Payment for the Firm Shares to be sold by the Company shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [·], 2012, or at such other time on the same or such other date, not later than [•], 2012, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [·], 2012, as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the

respective accounts of the several Underwriters. The Purchase Price payable by the Underwriters shall be reduced by (i) any transfer taxes paid by, or on behalf of, the Underwriters in connection with the transfer of the Shares to the Underwriters duly paid and (ii) any withholding required by law.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [·] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 5(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion and 10b-5 statement of Orrick, Herrington & Sutcliffe LLP, outside

counsel for the Company, dated the Closing Date, in form and substance satisfactory to the Managers, substantially as set forth on Annex I hereto.

(d) The Underwriters shall have received on the Closing Date an opinion of Willkie Farr & Gallagher LLP, counsel for the Underwriters, dated the Closing Date, in form and substance satisfactory to the Managers.

With respect to the 10b-5 statements requested above, Orrick, Herrington & Sutcliffe LLP and Willkie Farr & Gallagher LLP may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of Orrick, Herrington & Sutcliffe LLP described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from PricewaterhouseCoopers LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Marcum LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to certain financial statements and financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(g) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and each shareholder, officer and director of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional

Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares, including, among other things, opinions of counsel.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, [·] signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of

Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(h) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) To comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Issuer-Directed Shares are offered in connection with the Issuer-Directed Share Program.

(j) If the Company is not a U.S. person for U.S. federal income tax purposes, the Company will deliver to each Underwriter (or its agent), on or before the Closing Date, (i) a certificate with respect to the Company's status as a "United States real property holding corporation," dated not more than thirty (30) days prior to the Closing Date, as described in Treasury Regulations Sections

1.897-2(h) and 1.1445-2(c)(3), and (ii) proof of delivery to the IRS of the required notice, as described in Treasury Regulations 1.897-2(h)(2).

(k) The Company will promptly notify the Managers if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 2.

7. *Expenses*. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all expenses incident to the performance of their obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the Financial Industry Regulatory Authority, (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on [·], (vi) the cost of printing certificates representing the Shares, if any, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and 50% of the cost of any aircraft chartered in connection with the road show (the remaining 50% of such aircraft to be paid by the Underwriters), (ix) the document production charges and expenses associated with printing this

Agreement, (x) all fees and disbursements of counsel incurred by the Underwriters in connection with the Issuer-Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Issuer-Directed Share Program and (xi) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 9 entitled "Indemnity and Contribution," Section 10 entitled "Issuer-Directed Share Program Indemnification" and the last paragraph of Section 12 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

8. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

9. *Indemnity and Contribution*. (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any "road show" as defined in Rule 433(h) under the Securities Act (a "**road show**"), the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the directors of the Company, the officers of the

Company who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show, or the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a) or 9(b) , such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act and (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within

the meaning of either such Section. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by the Managers. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 9(a) or 9(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion

as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 9(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(d)(i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table

on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 9 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 9(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 9 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

10. *Issuer-Directed Share Program Indemnification.* (a) The Company agrees to indemnify and hold harmless Morgan Stanley, each person, if any, who controls Morgan Stanley within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of Morgan Stanley within the meaning of Rule 405 of the Securities Act ("**Morgan Stanley**

Entities") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Issuer-Directed Share Program or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Issuer-Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Issuer-Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of Morgan Stanley Entities.

(b) In case any proceeding (including any governmental investigation) shall be instituted involving any Morgan Stanley Entity in respect of which indemnity may be sought pursuant to Section 10(a), the Morgan Stanley Entity seeking indemnity, shall promptly notify the Company in writing and the Company, upon request of the Morgan Stanley Entity, shall retain counsel reasonably satisfactory to the Morgan Stanley Entity to represent the Morgan Stanley Entity and any others the Company may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Morgan Stanley Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Morgan Stanley Entity unless (i) the Company shall have agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Morgan Stanley Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Morgan Stanley Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Morgan Stanley Entities. Any such separate firm for the Morgan Stanley Entities shall be designated in writing by Morgan Stanley. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the Morgan Stanley Entities from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time a Morgan Stanley Entity shall have requested the Company to reimburse it for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed the Morgan Stanley Entity in

accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of Morgan Stanley, effect any settlement of any pending or threatened proceeding in respect of which any Morgan Stanley Entity is or could have been a party and indemnity could have been sought hereunder by such Morgan Stanley Entity, unless such settlement includes an unconditional release of the Morgan Stanley Entities from all liability on claims that are the subject matter of such proceeding.

(c) To the extent the indemnification provided for in Section 10(a) is unavailable to a Morgan Stanley Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Morgan Stanley Entity thereunder, shall contribute to the amount

paid or payable by the Morgan Stanley Entity as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Morgan Stanley Entities on the other hand from the offering of the Issuer-Directed Shares or (ii) if the allocation provided by clause 10(c)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 10(c)(i) above but also the relative fault of the Company on the one hand and of the Morgan Stanley Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Morgan Stanley Entities on the other hand in connection with the offering of the Issuer-Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Issuer-Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Morgan Stanley Entities for the Issuer-Directed Shares, bear to the aggregate Public Offering Price of the Issuer-Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the Morgan Stanley Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Morgan Stanley Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company and the Morgan Stanley Entities agree that it would not be just or equitable if contribution pursuant to this Section 10 were determined by *pro rata* allocation (even if the Morgan Stanley Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 10(c). The amount paid or payable by the Morgan Stanley Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above,

any legal or other expenses reasonably incurred by the Morgan Stanley Entities in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10, no Morgan Stanley Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Issuer-Directed Shares distributed to the public were offered to the public (less underwriting discounts and commissions, but before deducting expenses) exceeds the amount of any damages that such Morgan Stanley Entity has otherwise been required to pay. The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(e) The indemnity and contribution provisions contained in this Section 10 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Morgan Stanley Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Issuer-Directed Shares.

11. *Termination*. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Stock Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus. If this Agreement is terminated by the Underwriters for any reason, the lock-up agreements referred to in Section 5(g) hereof shall be automatically terminated contemporaneously with the termination of this Agreement.

12. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number

of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 12 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement (which, for the purposes of this Section 12, shall not include termination by the Underwriters under items (i), (iii), (iv) and (v) of Section 11), the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

13. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the

extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company, on the one hand, and the Underwriters, on the other, with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arms length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

14. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

15. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the United States federal and state courts in the Borough of Manhattan in The City of New York (a "**New York Court**") in any suit or proceeding arising out of or relating to this Agreement, the Time of Sale Prospectus, the Prospectus, the Registration Statement or the transactions contemplated hereby. The Company irrevocably and unconditionally waives any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement, the Time of Sale Prospectus, the Prospectus, the Registration Statement or the transactions contemplated hereby in a New York Court, and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum. The Company has irrevocably appointed [Vcorp Services, LLC] as its authorized agent (the "**Authorized Agent**") upon whom process may be served in any such suit, action or proceeding and expressly accepts the exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and each of them agrees to take any and all action, including the filing of any and all documents, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent, or in any manner permitted by applicable law, shall be deemed, in every respect, effective service of process upon the Company.

16. *Trial by Jury*. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and each

of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

17. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

18. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you in care of Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department; Deutsche Bank Securities Inc., 60 Wall Street, New York, New York 10005, Attention: Equity Capital Markets Syndicate Desk (fax: (212) 797-9344); Jefferies & Company, Inc., 520 Madison Avenue, New York, New York 10022, Attention: General Counsel (fax: (646) 619-4437); and if to the Company shall be delivered, mailed or sent to Shutterstock, Inc, 60 Broad Street, 30th Floor, New York, NY 10004, Attention: General Counsel.

Very truly yours,

SHUTTERSTOCK, INC.

By: _____
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Deutsche Bank Securities Inc.
Jefferies & Company, Inc.

Acting severally on behalf of themselves and the several Underwriters named in
Schedule I hereto

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Deutsche Bank Securities Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

By: Jefferies & Company, Inc.

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	
Deutsche Bank Securities Inc.	
Jefferies & Company, Inc.	
Total:	

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus issued [date]

2. [identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]

3. [free writing prospectus containing a description of terms that does not reflect final terms, if the Time of Sale Prospectus does not include a final term sheet]

4. [orally communicated pricing information such as price per share and size of offering]

EXHIBIT A

[FORM OF LOCK-UP LETTER]

, 2012

Morgan Stanley & Co. LLC
Deutsche Bank Securities Inc.
Jefferies & Company, Inc.
As representatives of the several Underwriters
named in the Underwriting Agreement

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

Jefferies & Company, Inc.
520 Madison Avenue

New York, New York 10022

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**") and Deutsche Bank Securities Inc. ("**Deutsche Bank**") and Jefferies & Company, Inc. ("**Jefferies**," and together with Morgan Stanley and Deutsche Bank, the "**Managers**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Shutterstock, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including the Managers (the "**Underwriters**"), of shares (the "**Shares**") of the common stock, par value $0.01 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley and Deutsche Bank on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus relating to the Public Offering (the "**Prospectus**") (such period, the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or

indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to:

(a) the sale of Shares to the Underwriters pursuant to the Underwriting Agreement;

(b) transactions relating to shares of Common Stock or other securities acquired in open market transactions after completion of the Public Offering, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions;

(c) transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock (i) to the spouse, domestic partner, parent, child or grandchild (each, an "immediate family member") of the undersigned or to a trust (or other similar entity) formed for the benefit of the undersigned or an immediate family member, (ii) by bona fide gift, will or intestacy, (iii) if the undersigned is a corporation, partnership or other business entity, (A) to another corporation, partnership or other business entity that is a direct or indirect Affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned or (B) as part of a disposition, transfer or distribution by the undersigned to its equity holders or limited partners, or (iv) if the undersigned is a trust, to a trustor or beneficiary of the trust; *provided* that in the case of any transfer or distribution pursuant to this clause (c), (i) each transferee, donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter and (ii) no filing under Section 16(a) of the Exchange Act that reports a reduction in beneficial ownership of shares of Common Stock shall be required or shall be voluntarily made during the Lock-Up Period;

(d) the disposition of shares of Common Stock or any securities convertible into Common Stock to the Company upon a vesting event of the Company's securities or upon the exercise of options or warrants to purchase the Company's securities, or the withholding obligations thereof, in a transaction exempt from Section 16(b) of the Exchange Act solely in connection with the payment of taxes and exercise price due with respect to options or warrants to purchase the Company's securities or the vesting of restricted securities, insofar as such options, warrants or restricted securities is or are outstanding as of the date hereof or as of the date of the Prospectus; *provided* no public reports or

filings, including but not limited to filings under Section 16 of the Exchange Act shall be required or shall be voluntarily made in connection with such disposition;

(e) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock; *provided* that such plan does not provide for the transfer of Common Stock during the Lock-Up Period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of the undersigned or the Company during the Lock-Up Period;

(f) the transfer of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock that occurs by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement; *provided* that such shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock remain subject to the terms of this agreement; and

(g) the transfer of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of the Common Stock pursuant to which 66.67% of the then outstanding capital stock of the Company is sold or otherwise transferred, provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Common Stock owned by the undersigned shall remain subject to the restrictions contained in this agreement.

In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley and Deutsche Bank on behalf of the Underwriters, it will not, during the Lock-Up Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the offering.

If the undersigned is an officer or director of the Company, (i) Morgan Stanley and Deutsche Bank agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Morgan Stanley and Deutsche Bank will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or

waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Morgan Stanley and Deutsche Bank hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

If:

(1) during the last 17 days of the Lock-Up Period the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period or provides notification to Morgan Stanley and Deutsche Bank of any earnings release, or material news or a material event that may give rise to an extension of the initial Lock-Up Period;

the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The undersigned shall not engage in any transaction that may be restricted by this agreement during the 34-day period beginning on the last day of the Lock-Up Period unless the undersigned requests and receives prior written confirmation from the Company or Morgan Stanley and Deutsche Bank that the restrictions imposed by this agreement have expired.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns. This agreement shall automatically terminate upon the earliest to occur, if any, of (a) the date that the Company advises the Managers in writing prior to the execution of the Underwriting Agreement that it has determined not to proceed with the Public Offering, (b) the date of termination of the Underwriting Agreement in accordance with its terms before the closing of the Public Offering, or (c) October 31, 2012 if the Public Offering of Shares has not been completed by such date.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

_____

(Name)

_____

(Address)

EXHIBIT B

FORM OF WAIVER OF LOCK-UP

, 20

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Shutterstock, Inc. (the "**Company**") of shares of common stock, $0.01 par value per share (the "**Common Stock**"), of the Company the underwriting agreement among the Company, the Selling Shareholders party thereto, Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc. and Jefferies & Company, Inc., dated , 2012 (the "**Underwriting Agreement**") and the lock-up letter dated , 2012 (the "**Lock-up Letter**"), executed by you in connection with such offering, and your request for a [waiver] [release] dated , 20 , with respect to shares of Common Stock (the "**Shares**").

Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective , 20 ; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
Deutsche Bank Securities Inc.

Acting severally on behalf of themselves and the several Underwriters named in Schedule I to the Underwriting Agreement

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Deutsche Bank Securities Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

cc: Company

FORM OF PRESS RELEASE

Shutterstock, Inc.
[Date]

Shutterstock, Inc. (the "**Company**") announced today that Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc., book-running managers in the Company's recent public sale of shares of common stock is [waiving][releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 2.1

FORM OF AGREEMENT AND PLAN OF MERGER

OF

SHUTTERSTOCK, INC.
A DELAWARE CORPORATION,

and

SHUTTERSTOCK IMAGES LLC
A NEW YORK LIMITED LIABILITY COMPANY

This Agreement and Plan of Merger dated as of , 2012 (the "Agreement") is between Shutterstock Images LLC, a New York limited liability company ("Shutterstock-NY"), and Shutterstock, Inc., a Delaware corporation ("Shutterstock-DE"). Shutterstock-DE and Shutterstock-NY are sometimes referred to in this Agreement as the "Constituent Companies." This Agreement and the transactions contemplated hereby (including the Merger, as defined below) shall be consummated prior to the date that the Securities and Exchange Commission has declared the Registration Statement on Form S-1 (File No. 333-181376) of Shutterstock-DE (the "Registration Statement") relating to an initial public offering by Shutterstock-DE (the "IPO") effective under the Securities Act of 1933, as amended.

RECITALS

A. Shutterstock-DE is a corporation duly organized and existing under the laws of the State of Delaware and has an authorized capital of 30,000,000 shares, each having a par value of $0.01 per share, all of which are designated "Common Stock." As of the date hereof, 100 shares of Shutterstock-DE Common Stock are issued and outstanding, all of which are held by Shutterstock-NY.

B. Shutterstock-NY is a limited liability company duly organized and existing under the laws of the State of New York.

C. The Board of Managers and Members (as defined in the Shutterstock-NY's Amended and Restated Limited Liability Company Agreement, as amended to date (the "LLC Agreement") of Shutterstock-NY have determined that, for the purpose of effecting the incorporation of Shutterstock-NY in the State of Delaware, it is advisable and in the best interests of Shutterstock-NY that Shutterstock-NY merge with and into Shutterstock-DE upon the terms and conditions provided in this Agreement.

D. The Board of Managers and the Members of Shutterstock-NY and the stockholder and the Board of Directors of Shutterstock-DE have approved this Agreement and have directed that this Agreement be executed by the undersigned officers.

E. The parties intend that the Merger (as defined below) will qualify as a tax-free exchange of property for stock under the provisions of Section 351 of the Internal Revenue Code of 1986, as amended (the "Code").

AGREEMENT

In consideration of the mutual agreements and covenants set forth herein, Shutterstock-DE and Shutterstock-NY hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

1. Merger.

1.1 Merger. In accordance with the provisions of this Agreement, the Delaware General Corporation Law and the New York Limited Liability Company Law, Shutterstock-NY shall be merged with and into Shutterstock-DE (the "Merger"), the separate existence of Shutterstock-NY shall cease and Shutterstock-DE shall be, and is sometimes referred to below as, the "Surviving Corporation," and, as set forth in the Certificate of Incorporation referenced in Section 2.1 hereof, the name of the Surviving Corporation shall be Shutterstock, Inc.

1.2 Filing and Effectiveness. The Merger shall become effective upon completion of the following actions:

(a) Adoption and approval of this Agreement and the Merger by the members and/or stockholders of each Constituent Company in accordance with the applicable requirements of the Delaware General Corporation Law and the New York Limited Liability Company Law.

(b) The satisfaction or waiver of all of the conditions precedent to the consummation of the Merger as specified in this Agreement.

(c) The filing with the Secretary of State of Delaware of an executed Certificate of Merger or an executed counterpart of this Agreement meeting the requirements of the Delaware General Corporation Law.

(d) The filing with the New York Secretary of State of an executed Certificate of Merger or an executed counterpart of this Agreement meeting the requirements of the New York General Corporation Law, as applicable.

The date and time when the Merger becomes effective is referred to in this Agreement as the "Effective Date of the Merger."

1.3 Effect of the Merger. Upon the Effective Date of the Merger, the separate existence of Shutterstock-NY shall cease and Shutterstock-DE, as the Surviving Corporation, (a) shall continue to possess all of its assets, rights, powers and property as constituted immediately prior to the Effective Date of the Merger, (b) shall be subject to all actions previously taken by its Board of Directors and Shutterstock-NY's Board of Managers and Members, (c) shall succeed, without other transfer, to all of the assets, rights, powers and property of Shutterstock-NY in the manner more fully set forth in Section 259 of the Delaware General Corporation Law, (d) shall continue to be subject to all of the debts, liabilities and obligations of Shutterstock-DE as constituted immediately prior to the Effective Date of the Merger, and (e) shall succeed, without other transfer, to all of the debts, liabilities and

obligations of Shutterstock-NY in the same manner as if Shutterstock-DE had itself incurred them, all as more fully provided under the applicable provisions of the Delaware General Corporation Law and the New York Limited Liability Company Law.

2. Charter Documents, Directors and Officers

2.1 Certificate of Incorporation. The Certificate of Incorporation of Shutterstock-DE, as in effect immediately prior to the Effective Date of the Merger, shall be the Certificate of Incorporation of the Surviving Corporation on the Effective Date of the Merger.

2.2 Bylaws. The Bylaws of Shutterstock-DE as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Bylaws of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable law.

2.3 Directors and Officers. The directors and officers of Shutterstock-DE immediately prior to the Effective Date of the Merger shall be the directors and officers of the Surviving Corporation until their successors shall have been duly elected and qualified or as otherwise provided by law, the Certificate of Incorporation of the Surviving Corporation or the Bylaws of the Surviving Corporation.

3. Effect of the Merger on Membership Interests

3.1 Shutterstock-NY Membership Interests.

(a) Upon the Effective Date of the Merger, and by virtue of the Merger and without any action on the part of the Members, the Members of Shutterstock-NY shall receive in the Merger, in exchange for their Membership Interests (as defined in the LLC Agreement), the aggregate amount of **[27,600,000] [NTD: ACTUAL NUMBER TO BE INSERTED PRIOR TO MERGER DEPENDING ON NUMBER OF OUTSTANDING VAR UNITS (30,000,000 less the number of outstanding VAR units)]** shares of Common Stock of Shutterstock-DE, par value $0.01 per share ("Shutterstock-DE Common Stock"), and such number of shares of Shutterstock-DE Common Stock shall be allocated to the Members in the Merger in the following manner: (i) the Members shall receive the first $300,000,000 of value of the Shutterstock-DE Common Stock issued in the Merger in the following percentages: Pixel Holdings Inc. (66.2340%), Shutterstock Investors, LLC (0.5974%), Shutterstock Investors I, LLC (10.1599%), Shutterstock Investors II, Inc. (3.0761%), Shutterstock Investors III, Inc. (11.0666%), Adam Riggs (8.4660%), Dan McCormick (0.4000%) and Thilo Semmelbauer (0.0000%), and (ii) the Members shall receive the Shutterstock-DE Common Stock issued in the Merger in excess of $300,000,000 in the following percentages: Pixel Holdings Inc. (63.584640%), Shutterstock Investors, LLC (0.573457%), Shutterstock Investors I, LLC (9.753549%), Shutterstock Investors II, Inc. (2.95310%), Shutterstock Investors III, Inc. (10.623894%), Adam Riggs (8.127360%), Dan McCormick (0.3840%) and Thilo Semmelbauer (4.0000%). The foregoing calculations shall be determined by the Board of Directors of Shutterstock-DE in good faith, and the value of the Shutterstock DE Common Stock issued in the Merger shall be based upon the IPO offering price of Shutterstock-DE Common Stock, as set forth on the front page of the final prospectus. Accordingly, a final calculation may occur once

the Registration Statement is declared effective and the IPO offering price of Shutterstock-DE Common Stock is established. The allocable portion of the shares of Shutterstock-DE Common Stock issued to Thilo Semmelbauer in the Merger that is attributable to his Membership Interest that is still subject to vesting conditions as of the Effective Date of the Merger shall continue to remain subject to the same vesting conditions that were applicable to his Membership Interest immediately prior to the Effective Date of the Merger.

(b) Upon the Effective Date of the Merger, each Value Appreciation Right (as defined in the Shutterstock Images LLC Value Appreciation Plan (the "VAR Plan")) outstanding immediately prior to the Effective Date of the Merger shall be converted, on a Unit (as defined in the VAR Plan) by Unit basis, into a non-qualified option to purchase one share of Shutterstock-DE Common Stock pursuant to the Shutterstock, Inc. 2012 Omnibus Equity Incentive Plan (the "2012 Plan"). Each such option granted pursuant to the 2012 Plan shall have substantially similar terms and conditions as set forth in the Value Appreciation Right Agreement (as defined in the VAR Plan) applicable to the Value Appreciation Right that it replaces, and specifically, shall (i) to the extent not vested as of the Effective Date of the Merger, continue to vest and remain exercisable in accordance with substantially similar terms and conditions applicable to the corresponding Value Appreciation Right, (ii) have an exercise price equal to the Grant Date Price (as defined in the VAR Plan) applicable to the corresponding Value Appreciation Right, (iii) expire not later than the latest date on which the corresponding Value Appreciation Right would have expired, and (iv) remain subject to the post-termination provisions applicable to the corresponding Value Appreciation Right.

3.2 Shutterstock-DE Common Stock. Upon the Effective Date of the Merger, each share of Shutterstock-DE Common Stock issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action by Shutterstock-DE, the holder of such shares or any other person, be canceled and returned to the status of authorized but unissued shares.

4. General

4.1 Taxation. The parties hereto and the Members intend that the Merger will qualify as a tax-free exchange of property for stock under the provisions of Section 351 of the Code. In addition, the parties hereto and the Members intend that the Merger is being undertaken as part of a single integrated transaction with the IPO and subsequent merger transactions of certain Members with and into Shutterstock-DE and, therefore, the parties hereto and such Members intend that such subsequent mergers together will qualify as a tax-free exchange of property for stock under the provisions of Section 351 of the Code and/or that such subsequent mergers will each qualify as a "reorganization" under Section 368(a) of the Code. Unless otherwise required by law or a taxing authority, such parties agree to report such transactions in their respective federal income tax returns consistently with such intent.

4.2 Covenants of Shutterstock-DE. Shutterstock-DE covenants and agrees that it will, on or before the Effective Date of the Merger, to the extent required by New York tax or corporate law:

(a) Qualify to do business as a foreign corporation in the State of New York and irrevocably appoint an agent for service of process as required under the provisions of the New York corporations law;

(b) File any and all documents necessary for the assumption by Shutterstock-DE of all of the franchise tax liabilities of Shutterstock-NY; and

(c) Take such other actions as may be required by the New York Corporations Law.

4.3 Further Assurances. From time to time, as and when required by Shutterstock-DE or by its successors or assigns, there shall be executed and delivered on behalf of Shutterstock-NY such deeds and other instruments, and there shall be taken or caused to be taken by it such further and other actions, as shall be appropriate or necessary in order to vest or perfect in or conform of record or otherwise by Shutterstock-DE the title to and possession of all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of Shutterstock-NY and otherwise to carry out the purposes of this Agreement, and the officers and directors of Shutterstock-DE are fully authorized in the name and on behalf of Shutterstock-NY or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

4.4 Abandonment. At any time before the Effective Date of the Merger, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by the Board of Managers of Shutterstock-NY or the Board of Directors of Shutterstock-DE, or both, notwithstanding the approval of this Agreement by the members of Shutterstock-NY or by the sole stockholder of Shutterstock-DE, or by both.

4.5 Amendment. The Board of Managers or Board of Directors, as the case may be, of the Constituent Companies may amend this Agreement at any time prior to the filing of this Agreement (or certificate in lieu thereof) with the Secretary of State of the State of Delaware, provided that an amendment made subsequent to the adoption of this Agreement by the members or sole stockholder, as the case may be, of either Constituent Company shall not: (a) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such Constituent Company, (b) alter or change any term of the Certificate of Incorporation of the Surviving Corporation, or (c) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class of shares or series of capital stock of such Constituent Company.

4.6 Registered Office. The address of the Surviving Corporation's registered office in the State of Delaware is 1811 Silverside Road, City of Wilmington, 19810, County of New Castle. The name of its registered agent at such address is Vcorp Services, LLC.

4.7 Agreement. Executed copies of this Agreement will be on file at the principal place of business of the Surviving Corporation at 60 Broad Street, 30th Floor, New York, NY 10004 and copies thereof will be furnished to any member or stockholder of either Constituent Company, upon request and without cost.

4.8 Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

4.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

[signature page follows]

The undersigned authorized representatives of the Constituent Companies have executed and acknowledged this Agreement and Plan of Merger as of the date first set forth above.

SHUTTERSTOCK, INC.
a Delaware corporation

By: _____
Name: Jonathan Oringer
Title: Chief Executive Officer

SHUTTERSTOCK IMAGES LLC
a New York limited liability company

By: _____
Name: Jonathan Oringer
Title: Chief Executive Officer

The undersigned, Jonathan Oringer, does hereby certify that:

1. He is the Chief Executive Officer of Shutterstock Images LLC, a limited liability company organized under the laws of the State of New York (the "Company").

2. The Agreement and Plan of Merger (the "Agreement") in the form attached hereto was duly approved by the Board of Managers and Members of the Company.

3. The principal terms of the Agreement were approved by the members of the Company by the vote representing a majority of the Membership Interests (as such term is defined in Shutterstock-NY's Limited Liability Company Agreement, as amended to date) of the Company.

The undersigned declares under penalty of perjury under the laws of the States of New York and Delaware that the matters set forth in this certificate are true and correct of my own knowledge.

Executed in New York, New York, on , 2012.

Jonathan Oringer
Chief Executive Officer

SHUTTERSTOCK, INC.
A Delaware corporation

Officers' Certificate of Approval of Merger

The undersigned, Jonathan Oringer, does hereby certify that:

1. He is the Chief Executive Officer of Shutterstock, Inc., a corporation organized under the laws of the State of Delaware (the "Corporation").

2. The Agreement and Plan of Merger (the "Agreement") in the form attached hereto was duly approved by the Board of Directors and sole stockholder of the Corporation.

3. There are one hundred (100) shares of Common Stock outstanding and entitled to vote on the Agreement.

4. The principal terms of the Agreement were approved by the sole stockholder of the Corporation by the vote of a number of the shares of Common Stock which equaled or exceeded the vote required. The percentage vote required was more than 50% of the outstanding shares of Common Stock.

The undersigned declares under penalty of perjury under the laws of the States of New York and Delaware that the matters set forth in this certificate are true and correct of my own knowledge.

Executed in New York, New York, on , 2012.

Jonathan Oringer
Chief Executive Officer

Exhibit 2.2

FORM OF AGREEMENT AND PLAN OF MERGER

dated as of

[ ], 2012

among

SHUTTERSTOCK, INC.,

SHUTTERSTOCK INVESTORS II, INC.,

INSIGHT VENTURE PARTNERS (CAYMAN) V, L.P.,

SHUTTERSTOCK INVESTORS III, INC.

and

INSIGHT VENTURE PARTNERS V COINVESTMENT FUND, L.P.

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") is dated as of **[ ]**, 2012, by and among Shutterstock, Inc., a Delaware corporation (the "**Company**"), Shutterstock Investors II, Inc., a Delaware corporation ("**SS II**"), Insight Venture Partners (Cayman) V, L.P., a limited partnership organized under the laws of the Cayman Islands ("**Insight Cayman**"), Shutterstock Investors III, Inc., a Delaware corporation ("**SS III**"), and Insight Venture Partners V Coinvestment Fund, L.P., a limited partnership organized under the laws of the State of Delaware ("**Insight Coinvestment**"). The Company, SS II, Insight Cayman, SS III and Insight Coinvestment are collectively referred to herein as the "**Parties**" and each individually is referred to herein as a "**Party**." This Agreement and the transactions contemplated hereby (including the Mergers, as defined below) shall be consummated prior to the date that the Securities and Exchange Commission has declared the Company's Registration Statement on Form S-1 (File No. 333-181376) (the "**Registration Statement**") effective under the Securities Act of 1933, as amended (the "**Effectiveness of the Registration Statement**").

WHEREAS, in anticipation of the initial public offering of the Company, prior to the Merger Effective Time (as defined below), the Company shall complete a merger pursuant to which Shutterstock Images LLC, the Company's predecessor entity, shall merge with and into the Company for purposes of changing its domicile and form of organization (the "**Reincorporation Merger**");

WHEREAS, in anticipation of the initial public offering of the Company, (i) the board of directors of the Company and the board of directors of SS II deem it advisable that SS II merge with and into the Company (the "**SS II Merger**") and (ii) the board of directors of the Company and the board of directors of SS III deem it advisable that SS III merge with and into the Company (the "**SS III Merger**," and collectively with the SS II Merger, the "**Mergers**"), in each case upon the terms and subject to the conditions set forth herein and in accordance with Delaware Law (as defined below); and

WHEREAS, the board of directors and, if applicable, the shareholders of each of the Company, SS II, and SS III have approved the SS II Merger and the SS III Merger, respectively, in accordance with the requirements of Delaware Law and their respective organizational documents.

WHEREAS, it is intended that the Mergers are part of a single integrated transaction with the Reincorporation Merger and the issuance by the Company of equity in the initial public offering and, therefore, the Parties intend that such Mergers are part of a transaction that qualifies as a tax-free exchange of property for stock under the provisions of Section 351 of the Code and that such Mergers will each qualify as a "reorganization" under Section 368(a) of the Code.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*. As used herein, the following terms have the following meanings:

"**Affiliate**" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such other Person. For purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing. Notwithstanding the foregoing, for purposes of this Agreement, neither the Company nor any of its Subsidiaries shall be considered an Affiliate of any of the other Parties to this Agreement.

"**Agreement**" has the meaning set forth in the Preamble to this Agreement.

"**Business Day**" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by applicable Law to close.

"**Certificate of Merger**" has the meaning set forth in Section 2.01(b).

"**Claim**" has the meaning set forth in Section 8.03(a).

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Date**" means the date of the Closing.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Company**" has the meaning set forth in the Preamble to this Agreement.

"**Damages**" has the meaning set forth in Section 8.02(a).

"**Delaware Law**" means the DGCL.

"**DGCL**" means the General Corporation Law of the State of Delaware.

"**Effectiveness of the Registration Statement**" has the meaning set forth in the Preamble to this Agreement.

"**ERISA**" has the meaning set forth in Section 3.09.

"**ERISA Affiliate**" has the meaning set forth in Section 3.09.

"**Indemnified Party**" has the meaning set forth in Section 8.03(a).

"**Indemnifying Party**" has the meaning set forth in Section 8.03(a).

"**Insight Cayman**" has the meaning set forth in the Preamble to this Agreement.

"**Insight Coinvestment**" has the meaning set forth in the Preamble to this Agreement.

"**Law**" means any law, statute, regulation, rule, permit, license, certificate, judgment, order, award or other legally binding decision or requirement of any arbitrator, court, government or governmental agency or instrumentality (domestic or foreign).

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge or security interest in respect of such property or asset.

"**Merged Entities**" means SS II and SS III, and the term "**Merged Entity**" means any one of them, as the case may be.

"**Merger Effective Time**" has the meaning set forth in Section 2.01(b).

"**Mergers**" has the meaning set forth in the Recitals to this Agreement.

"**Permitted Liens and Exceptions**" means Liens for Taxes, assessments and similar charges that are not yet due and payable.

"**Party**" and "**Parties**" have the respective meanings set forth in the Preamble to this Agreement.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof

"**Pre-Closing Taxes**" shall mean any and all liabilities for any Taxes (i) attributable or allocable to any Pre-Closing Tax Period, (ii) attributable to the Mergers, or (iii) as a result of any breach of any representation, warranty or covenant under Article VII (Tax Matters).

"**Pre-Closing Tax Period**" shall mean any taxable period (or portion thereof) ending on or before the Closing Date and, with respect to any Straddle Period, the portion of such taxable period ending on and including the Closing Date. In the case of any taxable period that includes but does not end on the Closing Date (each, a "**Straddle Period**"), the real, personal and intangible property Taxes allocable to the Pre-Closing Tax Period shall be equal to the amount of such

Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the Straddle Period, and all other Taxes allocable to the Pre-Closing Tax Period shall be computed as if such taxable period ended on and included the Closing Date.

"**Registration Rights Agreement**" means that certain Registration Rights Agreement, dated **[ ]**, 2012, by and among the Company, SS II, SS III and the other parties thereto.

"**Registration Statement**" has the meaning set forth in the Preamble to this Agreement.

"**Reincorporation Merger**" has the meaning set forth in the Preamble to this Agreement.

"**Securities**" has the meaning set forth in Section 3.05.

"**SS II**" has the meaning set forth in the Preamble to this Agreement.

"**SS II Merger**" has the meaning set forth in the Recitals to this Agreement.

"**SS III**" has the meaning set forth in the Preamble to this Agreement.

"**SS III Merger**" has the meaning set forth in the Recitals to this Agreement.

"**Subsidiary**" means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by a Person.

"**Surviving Company**" has the meaning set forth in Section 2.01(a).

"**Tax**" or "**Taxes**" shall mean (i) any and all U.S. federal, state, local and non-U.S. taxes, assessments, governmental charges, duties and impositions, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, escheat, excise and property taxes as well as public imposts, fees and social security charges (including but not limited to health, unemployment and pension insurance), together with all interest, penalties and additions imposed with respect to such amounts, (ii) any liability for the payment of any amounts of the type described in clause (i) as a result of being or ceasing to be a member of an affiliated, consolidated or combined group for any period, and (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of any obligation under any agreement or arrangement with any other Person with respect to such amounts and including any liability for taxes of a predecessor or transferor.

"**Tax Return**" shall mean any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any legal requirement relating to any Tax.

"**Third Party Claim**" has the meaning set forth in Section 8.03(b).

"**Transaction Documents**" means this Agreement, the Exhibits attached hereto and the other agreements and documents to be delivered by the Parties in connection with this Agreement.

"**Warranty Breach**" has the meaning set forth in Section 8.02(a).

Section 1.02 *Other Definitional and Interpretative Provisions*. The words "**hereof**," "**herein**," and "**hereunder**" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, and Exhibits are to Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "**include**," "**includes**," or "**including**" are used in this Agreement, they shall be deemed to be followed by the words "**without limitation**," whether or not they are in fact followed by those words or words of like import. "**Writing**," "**written**," and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "**law**," "**laws**," or to a particular statute or law shall be deemed also to include any and all Laws.

ARTICLE 2
THE MERGERS AND OTHER TRANSACTIONS

Section 2.01 *The Mergers*.

(a) At the Merger Effective Time (as defined below), and in accordance with the applicable provisions of this Agreement and Delaware Law, each of SS II and SS III shall be merged with and into the Company. Following the Mergers, the separate corporate existence of each of SS II and SS III shall cease and the Company shall continue as the surviving company (the "**Surviving Company**").

(b) Prior to the Effectiveness of the Registration Statement (and, for the avoidance of doubt, after the effectiveness of the Reincorporation Merger), the Company shall cause a certificate of merger in form and substance as set forth on Exhibit A attached hereto (the "**Certificate of Merger**") to be

executed, acknowledged and filed with the Secretary of State of the State of Delaware, all as provided for and in accordance with Section 251 of the DGCL. The Merger shall become effective at the time and date as provided under Delaware Law and as specified in the Certificate of Merger (the "**Merger Effective Time**"). References to the Company after the Merger Effective Time shall mean the Surviving Company.

(c) Each Merger shall have the effects set forth under Delaware Law. Without limiting the generality of the foregoing, and subject thereto, at the Merger Effective Time, all the properties, rights, privileges, and powers of each of SS II and SS III shall vest in the Surviving Company, and all debts, liabilities, and duties of each of SS II and SS III shall become the debts, liabilities, and duties of the Surviving Company. Notwithstanding the foregoing, it is hereby acknowledged and agreed that upon the consummation of the Mergers the respective

rights and obligations of SS II and SS III under the Registration Rights Agreement shall be transferred to Insight Cayman and Insight Coinvestment, respectively, in accordance with Section 1.12 of the Registration Rights Agreement.

(d) The certificate of incorporation and bylaws of the Company, as in effect immediately prior to the Merger Effective Time, shall be the certificate of incorporation and bylaws of the Surviving Company until thereafter amended in accordance with the provisions thereof and applicable Law.

(e) Subject to applicable Law, (i) the directors of the Company immediately prior to the Merger Effective Time shall be the initial directors of the Surviving Company and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation, or removal, and (ii) the officers of the Company immediately prior to the Merger Effective Time shall be the initial officers of the Surviving Company and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation, or removal.

(f) All of the shares of capital stock of each of SS II and SS III outstanding as of immediately prior to the Merger Effective Time shall, as of the Merger Effective Time, by virtue of the Merger and without any action on the part of any Party hereto or the holder thereof or any other Person, be canceled and extinguished and converted into the right to receive the consideration specified in Section 2.01(g). All of such outstanding shares of capital stock of SS II and SS III, when so converted, shall no longer be outstanding and shall automatically be canceled and the former holders thereof shall cease to have any rights with respect thereto, except the right to receive the consideration specified in Section 2.01(g).

(g) At the Merger Effective Time:

(i) in respect of the outstanding shares of capital stock of SS II held by Insight Cayman immediately prior to the Merger Effective Time and canceled and extinguished by virtue of the SS II Merger, Insight Cayman shall, subject to Section 6.03, receive the number of shares of common stock of the Company equal to the number of shares of common stock of the Company held by SS II immediately prior to the Merger Effective Time; and

(ii) in respect of the outstanding shares of capital stock of SS III held by Insight Coinvestment immediately prior to the Merger Effective Time and canceled and extinguished by virtue of the SS III Merger, Insight Coinvestment shall, subject to Section 6.03, receive the number of shares of common stock of the Company equal to the number of shares of common stock of the Company held by SS III immediately prior to the Merger Effective Time.

(h) By their execution of this Agreement, Insight Cayman, as the sole stockholder of SS II, and Insight Coinvestment, as the sole stockholder of SS III, each waive their right to dissent to the SS II Merger and the SS III Merger, respectively, and their right to demand appraisal for their shares of SS II and SS III, as applicable, under the DGCL or otherwise.

Section 2.02 *Closing*. The closing (the "**Closing**") of the transactions contemplated hereunder shall take place virtually, by the electronic exchange of documents and counterpart signature pages. At the Closing:

(i) The Certificate of Merger shall be filed pursuant to the terms of Section 2.01.

(ii) Each of the Parties shall deliver such other documents, instruments and agreements as are required to be delivered by such Party at the Closing pursuant to this Agreement.

Section 2.03 *Unpaid Liabilities.* Each Merged Entity has fully paid all its obligations, expenses and liabilities of any kind or nature whatsoever (including fully satisfying its liability for Taxes with respect to the current year). Each Merged Entity hereby represents, warrants and agrees that the Company and the Surviving Company shall not be responsible or liable to pay any obligations, expenses or liabilities of the Merged Entities following the Mergers (including Taxes).

Section 2.04 *Tax Consequences*. It is intended that the Mergers are part of a single integrated transaction with the Reincorporation Merger and the issuance by the Company of equity in the initial public offering and, therefore, the Parties intend that such Mergers are part of transaction that qualifies as a tax-free exchange of property for stock under the provisions of Section 351 of the Code and that such Mergers will each qualify as a "reorganization" under Section 368(a) of the Code. However, neither Party makes any representations or warranties that the Mergers will so qualify. Each Party acknowledges that it is relying solely on their own Tax advisors in connection with this Agreement, the Mergers and the other transactions and agreements contemplated hereby. The Parties hereby adopt this Agreement as a "plan of reorganization" within the meaning of Section 354(a)(1) of the Code and Treasury Regulations Section 1.368-2(g).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE MERGED ENTITIES

Each of the Merged Entities represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

Section 3.01 *Corporate Existence and Power*. Such Merged Entity is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 3.02 *Corporate Authorization*. The execution, delivery and performance by such Merged Entity of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby are within the corporate powers and authority of such Merged Entity and have been duly authorized by all necessary corporate action on the part of such Merged Entity. Each of the Transaction Documents to which it is or will be a party constitutes, or will when executed constitute, the legal, valid and binding obligation of such Merged Entity enforceable against such Merged Entity in accordance with its respective terms, (a) except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization,

moratorium or similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws concerning fraudulent conveyances and preferential transfers and (b) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in proceeding at law or in equity).

Section 3.03 *Governmental Authorization.* The execution, delivery and performance by such Merged Entity of each of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby require no action, consent or approval by or in respect of, filing with or material notice to, any governmental body, agency or official other than: (1) the filing of the Certificate of Merger; and (2) any other such action or filing as to which the failure to make or obtain would not have, individually or in the aggregate, a material adverse effect on the ability of such Merged Entity to consummate the transactions contemplated by the Transaction Documents.

Section 3.04 *Noncontravention*. The execution, delivery and performance by such Merged Entity of any of the Transaction Documents to which it is or will be a party, and the consummation of the transactions contemplated thereby do not and will not (a) violate or conflict with the organizational documents of such Merged Entity, (b) assuming compliance with the matters referred to in Section 3.03, contravene or conflict with or constitute a violation of any provision of any Law binding upon or applicable to such Merged Entity, (c) with or without the giving of notice or the lapse of time, or both, constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Merged Entity, or to a loss of any benefit to which such Merged Entity is entitled, under any provision of any agreement, contract or other instrument to which such Merged Entity is a party or by which it or its properties or assets is bound or (d) result in the creation or imposition of any Lien (other than Permitted Liens and Exceptions) upon or with respect to such Merged Entity or its assets, except, in the case of clauses (b), (c) or (d), for any such contravention, conflict, violation, default, termination, cancellation, acceleration or loss that would not have, individually or in the aggregate, a material adverse effect on the ability of such Merged Entity to consummate the transactions contemplated by the Transaction Documents.

Section 3.05 *Capitalization*. Insight Cayman owns 100% of the outstanding shares of capital stock of SS II and Insight Coinvestment owns 100% of the outstanding shares of capital stock of SS III. All of the shares of capital stock of such Merged Entity have been duly authorized and validly issued and are fully paid and non-assessable (to the extent such concepts are applicable). Other than the capital stock issued to Insight Cayman or Insight Coinvestment described in this Section 3.05, there are no outstanding (i) capital stock or equity interests or other voting securities of such Merged Entity, (ii) securities of such Merged Entity convertible into or exchangeable for capital stock or equity interests or other voting securities of such Merged Entity or (iii) options or other rights to acquire from such Merged Entity, or other obligation of such Merged Entity to issue, any capital stock or equity interests or other voting securities of such Merged Entity or securities convertible into or exchangeable for capital stock or equity interests or other voting securities of such Merged Entity (the items in clauses (i) through (iii) being referred to collectively as the "**Securities**"). There are no outstanding obligations of such Merged Entity to repurchase, redeem or otherwise acquire any Securities and

there are no agreements or other instruments relating to the issuance, sale or transfer by such Merged Entity of any Securities.

Section 3.06 *Indebtedness; Liabilities; Title to Assets*. Such Merged Entity (i) other than its investment in the Company, has not conducted any business since its formation and (ii) has no indebtedness or other liabilities as of the Merger Effective Time, including any liability for Taxes. Such Merged Entity owns and has good title to each of its assets, free and clear of all Liens, except for Permitted Liens and Exceptions. The shares of common stock of the Company received by such Merged Entity in the Reincorporation Merger have not been sold, transferred or otherwise disposed of by such Merged Entity.

Section 3.07 *Litigation.* There is no Claim pending or, to the knowledge of such Merged Entity, threatened against such Merged Entity. To the knowledge of such Merged Entity, there is no fact or circumstance that, either alone or together with other facts and circumstances, could reasonably be expected to give rise to any Claim against, relating to or affecting such Merged Entity.

Section 3.08 *Compliance with Laws.* Such Merged Entity is not in violation of, and has not been given notice of any violation of, any Law. To the knowledge of such Merged Entity, it is not under investigation or inquiry with respect to the violation of any Law and no facts or circumstances exist that could form the basis for any such violation.

Section 3.09 *Employees; Employee Benefit Plans.* Since the time of its organization, such Merged Entity has not had any employees and has not sponsored, maintained, been a party to, had an obligation to contribute to or incurred any obligations or liabilities under, any "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") (whether or not subject to ERISA) or any other plan, policy, program, practice, agreement, understanding or arrangement (whether written or oral) providing compensation (whether cash, non-cash, equity-based or otherwise) or other benefits of any type (whether taxable or non-taxable) to any current or former director, officer, employee or consultant (or to any dependent or beneficiary thereof) of such Merged Entity or any ERISA Affiliate (as defined below). For purposes of this Agreement, "**ERISA Affiliate**" means any entity (whether or not incorporated) other than such Merged Entity that, together with such Merged Entity, is required to be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

Section 3.10 *Subsidiaries.* Such Merged Entity has no Subsidiaries.

Section 3.11 *No Other Representations*. No Merged Entity makes any express or implied representations or warranties of any nature, whether in writing, oral or otherwise, except as expressly set forth in this Agreement or the other Transaction Documents.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF INSIGHT CAYMAN AND INSIGHT COINVESTMENT

Each of Insight Cayman and Insight Coinvestment represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

Section 4.01 *Existence and Power*. It is a limited partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

Section 4.02 *Authorization*. The execution, delivery and performance by it of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby are within its partnership powers and authority and have been duly authorized by all necessary action on its part and the part of its partners. Each of the Transaction Documents to which it is or will be a party constitutes, or will when executed constitute, the legal, valid and binding obligation of it, enforceable against it in accordance with its respective terms, (i) except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws concerning fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 4.03 *Governmental Authorization.* The execution, delivery and performance by it of each of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby require no action, consent or approval by or in respect of, filing with or material notice to, any governmental body, agency or official other than: (1) the filing of the Certificate of Merger; and (2) any other such action or filing as to which the failure to make or obtain would not have, individually or in the aggregate, a material adverse effect on its ability to consummate the transactions contemplated by the Transaction Documents.

Section 4.04 *Noncontravention*. The execution, delivery and performance by it of any of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby do not and will not (a) violate or conflict with its organizational documents, (b) assuming compliance with the matters referred to in Section 4.03, contravene or conflict with or constitute a violation of any provision of any Law binding upon or applicable to it, (c) with or without the giving of notice or the lapse of time, or both, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any of its rights or obligations, or to a loss of any benefit to which it is entitled under any provision of any agreement, contract or other instrument to which it is a party or by which it or its properties or assets are bound or (d) result in the creation or imposition of any Lien (other than Permitted Liens and Exceptions) upon or with respect to it or any of its properties or assets, except, in the case of clauses (b), (c) or (d), for any such contravention, conflict, violation, default, termination, cancellation, acceleration or loss that would not have, individually or in the aggregate, a material adverse effect on its and its Subsidiaries, taken as a whole.

Section 4.05 *Solvency*. Without giving effect to the value of the shares of common stock of the Company that it will receive pursuant to Section 2.01(g), the fair salable value of its assets (together with the available but undrawn capital commitments of its partners) exceeds the fair value of its liabilities and it is able to pay its debts as they mature.

Section 4.06 *No Other Representations*. Neither Insight Cayman nor Insight Coinvestment makes any express or implied representations or warranties of any nature, whether

in writing, oral or otherwise, except as expressly set forth in this Agreement or the other Transaction Documents.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each of the other Parties, as of the date hereof and as of the Closing Date, that:

Section 5.01 *Corporate Existence and Power*. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 5.02 *Corporate Authorization*. The execution, delivery and performance by the Company of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby are within the corporate powers and authority of the Company and have been duly authorized by all necessary corporate action on the part of the Company. Each of the Transaction Documents to which it is or will be a party constitutes, or will when executed constitute, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms, (i) except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws concerning fraudulent conveyances and preferential transfers and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 5.03 *Governmental Authorization.* The execution, delivery and performance by the Company of each of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby require no action, consent or approval by or in respect of, filing with or material notice to, any governmental body, agency or official other than: (1) the filing of the Certificate of Merger; and (2) any other such action or filing as to which the failure to make or obtain would not have, individually or in the aggregate, a material effect on the ability of the Company to consummate the transactions contemplated by the Transaction Documents.

Section 5.04 *Noncontravention*. The execution, delivery and performance by the Company of any of the Transaction Documents to which it is or will be a party and the consummation of the transactions contemplated thereby do not and will not (a) violate or conflict with the organizational documents of the Company, (b) assuming compliance with the matters referred to in Section 5.03, contravene or conflict with or constitute a violation of any provision of any Law binding upon or applicable to the Company, (c) with or without the giving of notice or the lapse of time, or both, constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company, or to a loss of any benefit to which the Company is entitled under any provision of any agreement, contract or other instrument to which the Company is a party or by which the Company or its properties or assets are bound or (d) result in the creation or imposition of any Lien (other than Permitted Liens and Exceptions) upon or with respect to the Company or its properties or assets, except, in the case of

clauses (b), (c) or (d), for any such contravention, conflict, violation, default, termination, cancellation, acceleration or loss that would not have, individually or in the aggregate, a material effect on the Company and its Subsidiaries, taken as a whole.

Section 5.05 *Capitalization*. All of the capital stock or equity interests, as applicable, of the Company have been duly authorized and validly issued and are fully paid and non-assessable (to the extent such concepts are applicable), and will, as of the completion of the initial public offering of the Company, conform as to legal matters to the description thereof contained in the Registration Statement.

Section 5.06 *No Other Representations*. The Company makes no express or implied representations or warranties of any nature, whether in writing, oral or otherwise, except as expressly set forth in this Agreement or the other Transaction Documents.

ARTICLE 6
COVENANTS OF THE PARTIES

Each of the Parties hereto agrees that:

Section 6.01 *Reasonable Best Efforts; Further Assurances*. Subject to the terms and conditions of this Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the transactions contemplated by any of the Transaction Documents. Each Party shall execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or appropriate in order to consummate or implement expeditiously the transactions contemplated by any of the Transaction Documents.

Section 6.02 *Surrender of Certificates.* Prior to, and as a condition of, the receipt of the consideration specified in Section 2.01(g), Insight Cayman and Insight Coinvestment shall surrender all certificates representing shares of capital stock of SS II and SS III, as applicable, to the Company, together with a duly executed and completed letter of transmittal in a form reasonably acceptable to the Parties. Until surrendered in accordance with this Section 6.02, each outstanding certificate representing shares of capital stock of SS II or SS III shall be deemed from and after the Merger Effective Time, for all corporate purposes, to evidence only the right to receive the applicable portion of the consideration specified in Section 2.01(g). No interest will be paid or accrued on any portion of such consideration. Notwithstanding anything to the contrary in this Section 6.02, the Surviving Company shall not be liable to any person for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

ARTICLE 7
TAX MATTERS

Section 7.01 *Tax Representations*. Each Merged Entity jointly and severally represents and warrants to the Company and the Surviving Company that (a) all Tax Returns required to be filed by, or with respect to, such Merged Entity on or before the Closing Date (taking into account any duly obtained extensions) have been timely filed, (b) such Merged Entity has timely paid all Taxes due and payable by such Merged Entity (whether or not shown on any Tax

Returns), (c) the Tax Returns of such Merged Entity that have been filed are true, correct and complete in all material respects, (d) there is no action, suit, proceeding, investigation, audit or claim now proposed or pending against or with respect to such Merged Entity in respect of any Tax, (e) such Merged Entity has properly withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any shareholder, employee, creditor, independent contractor, or other third party, (f) there is no claim pending or to such Merged Entity's knowledge proposed or threatened in a jurisdiction where such Merged Entity does not file Tax Returns that such Merged Entity is or may be subject to taxation in such jurisdiction, (g) no Tax liability will be incurred as a result of the Mergers, (h) no Tax liability will be incurred as a result of any distribution of assets by such Merged Entity to its shareholders that may occur prior to the Mergers, and (i) no Merged Entity has consented to extend the time, or is the beneficiary of any extension of time, in which any Tax may be assessed or collected.

Section 7.02 *Tax Reporting*. Each of the Parties agree to report the Mergers for federal and state income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code, including the filing of the statement required by Treasury Regulations Section 1.368-3, to the extent permitted by Law.

Section 7.03 *No Binding Agreement*. Each of Insight Cayman and Insight Coinvestment represents and warrants that it does not currently have nor will it have at the Merger Effective Time or the date on which the Registration Statement becomes effective a binding agreement or specific prearranged plan to sell or dispose to a particular party any of the stock of the Company received in Mergers. Each of Insight Cayman and Insight Coinvestment agrees that it will prevent any of its partners from directly or indirectly selling or otherwise disposing of an interest in such entity that is pursuant to a binding agreement or a specific prearranged plan to sell or dispose to a particular party in existence on or prior to the date in which the Registration Statement becomes effective if such sale or disposition would result in such entity being treated as transferring for United States federal income tax purposes the stock of the Company received in the Mergers.

Section 7.04 *FIRPTA.* Prior to the Closing, Insight Coinvestment shall deliver to the Company a properly executed certification in accordance with Treasury Regulations Section 1.1445-2(b) certifying that Insight Coinvestment is not a foreign person, and prior to the Closing SS II shall provide to the Company a properly executed certification and notice in accordance with Treasury Regulation Section 1.1445 2(c)(3) and Section 1.897 2(h)(2) certifying that its shares do not constitute "United States real property interests" under Section 897(c) of the Code together with written authorization for the Company to deliver such notice form to the Internal Revenue Service on behalf of SS II. In order for SS II to provide its certification, the Company shall provide a certification to SS II confirming that at no time during the period of time in which SS II held its interest in the Company (or its predecessor) did the fair market value of its (or its predecessor's) "United States real property interests" equal or exceed 50% of the sum of the fair market value of its (or its predecessor's) "United States real property interests", its (or its predecessor's) interests in real property located outside the United States plus any other of its (or its predecessor's) asset which are used or held for use in a trade or business (within the meaning of Section 897(c) of the Code).

Section 7.05 *Tax Returns*. No later than February 28, 2013, the Company shall provide each of Insight Cayman and Insight Coinvestment with all necessary tax reporting information, including to the extent necessary a copy of the Company's informational federal income tax return for fiscal year 2012 or the

relevant federal income tax return of the Merged Entity, and such other information as is reasonably necessary to enable Insight Cayman and Insight Coinvestment to comply with their tax reporting requirements of the Merged Entities.

Section 7.06 *Pre-Closing Tax Refunds*. Insight Cayman and Insight Coinvestment shall be entitled to any Tax refunds attributable to any Pre-Closing Taxes of SS II and SS III, respectively, and the Company shall promptly pay by wire transfer of immediately available funds any such refunds to Insight Cayman or Insight Coinvestment, as the case may be, less any applicable Taxes, withholdings or expenses; provided, however, that such Tax refunds shall be retained by the Company to the extent necessary to pay any obligations, expenses or liabilities (including Taxes) of SS II or SS III.

ARTICLE 8
SURVIVAL; INDEMNIFICATION

Section 8.01 *Survival*. The representations and warranties of any of the Parties hereto contained in this Agreement shall survive the Closing Date until the three-year anniversary of the Closing Date; provided that the representations, warranties, covenants and agreements contained in Article VII (Tax Matters) shall survive the Closing Date until the expiration of the applicable statute of limitations. Except as otherwise provided in this Agreement, the covenants and agreements of the Parties contained in this Agreement shall survive Closing and shall continue in full force and effect indefinitely or for the shorter period specified in this Agreement. Any breach of representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to this Section 8.01 if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

Section 8.02 *Indemnification*.

(a) From and after Closing, the Company hereby indemnifies Insight Cayman and Insight Coinvestment against and agrees to hold each of them harmless from any and all losses, costs, damages, liabilities, Claims, judgments, settlements and expenses (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses) ("**Damages**") incurred or suffered by Insight Cayman or Insight Coinvestment arising out of, relating to or in connection with (or arising out of or relating to any Third Party Claim containing allegations that, if true, would constitute) any inaccuracy or breach of any representation and warranty (each such inaccuracy and breach, a "**Warranty Breach**") or breach of a covenant, in each case of the Company contained in the Transaction Documents or in the exhibits, schedules or certificates to, or delivered in connection with, the Transaction Documents.

(b) From and after Closing, Insight Cayman hereby indemnifies the Company against and agrees to hold it harmless from any and all Damages incurred or suffered by the

Company arising out of, relating to or in connection with (or arising out of or relating to any Third Party Claim containing allegations that, if true, would constitute) any Warranty Breach or breach of a covenant, in each case of SS II or Insight Cayman contained in the Transaction Documents or in the exhibits, schedules or certificates to, or delivered in connection with, the Transaction Documents.

(c) From and after Closing, Insight Coinvestment hereby indemnifies the Company against and agrees to hold it harmless from any and all Damages incurred or suffered by the Company arising out of, relating to or in connection with (or arising out of or relating to any Third Party Claim containing allegations that, if true, would constitute) any Warranty Breach or breach of a covenant, in each case of SS III or Insight Coinvestment contained in the Transaction Documents or in the exhibits, schedules or certificates to, or delivered in connection with, the Transaction Documents.

(d) From and after Closing, Insight Cayman hereby indemnifies the Company against and agrees to hold it harmless from any and all Damages incurred or suffered by the Company for Pre-Closing Taxes of SS II and any withholding, transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with transactions contemplated by this Agreement.

(e) From and after Closing, Insight Coinvestment hereby indemnifies the Company against and agrees to hold it harmless from any and all Damages incurred or suffered by the Company for Pre-Closing Taxes of SS III and any withholding, transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with transactions contemplated by this Agreement.

Section 8.03 *Procedures*.

(a) The party seeking indemnification under Section 8.02 (the "**Indemnified Party**") agrees to give prompt notice to the party against whom indemnity is sought (the "**Indemnifying Party**") of the assertion of any claim, or the commencement of any suit, action or proceeding ("**Claim**") in respect of which indemnity may be sought under such Section and will provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent that such Indemnifying Party is actually and materially prejudiced by such failure to provide timely notice.

(b) The Indemnified Party shall obtain the prior written consent of the Indemnifying Party (which shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of any Claim asserted by any third party ("**Third Party Claim**") for which the Indemnified Party will seek indemnification from the Indemnifying Party hereunder.

(c) Each Party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(d) Each Indemnified Party shall use reasonable efforts to collect any amounts available under insurance coverage, or from any other Person alleged to be responsible, for any Damages payable under Section 8.02.

Section 8.04 *Exclusivity*. After the Closing, Section 8.02 will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement or other claim arising out of this Agreement or the transactions contemplated hereby, other than any claim for gross negligence, intentional misrepresentation, willful misconduct or fraud. Notwithstanding the foregoing, it is understood that nothing herein shall prohibit any party hereto from exercising its rights to seek equitable relief with respect to a breach of covenant or agreement under any Transaction Document.

ARTICLE 9
MISCELLANEOUS

Section 9.01 *Notices*.

(a) All notices, requests, or consents required or permitted to be given under this Agreement must be in writing and shall be deemed to have been given (i) three (3) days after the date mailed by registered or certified mail, addressed to the recipient, with return receipt requested, (ii) upon delivery to the recipient in person or by courier, or (iii) upon receipt of a facsimile transmission by the recipient. Such notices, requests and consents shall be given,

if to SS II, SS III, Insight Cayman or Insight Coinvestment, to:

c/o Insight Venture Partners
680 Fifth Avenue, 8th Floor
New York, NY 10019
Attn: Blair Flicker, Esq.
Facsimile: (212) 230-9272

with copies (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP
787 7th Avenue
New York, NY 10019
Attention: Gordon Caplan, Esq.
Facsimile: (212) 728-9266

If to the Company, to:

Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004
Attention: Chief Financial Officer
Fax: (646) 443-6039

with copies (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
Attention: Brian B. Margolis, Esq.
Facsimile: (212) 506-5151

or to such other address or telecopy number and with such other copies, as such party may hereafter specify for the purpose by notice to the other parties.

Whenever any notice is required to be given by law or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Without limiting the manner by which notice otherwise may be given effectively to the Parties pursuant to this Agreement, any notice to the Parties given by the Company under any provision of this Agreement shall be effective if given by a form of electronic transmission consented to by the Party to whom the notice is given. Any such consent shall be revocable by such Party by written notice to the Company.

(b) Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by electronic mail, when directed to an electronic mail address at which the Party has consented to receive notice;

(ii) if by a posting on an electronic network together with separate notice to the Party of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iii) if by any other form of electronic transmission, when directed to the Party.

(c) An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Company that the notice has been given by a form of electronic transmission shall, in the absence of fraud or willful misconduct, be prima facie evidence of the facts stated therein.

(d) An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 9.02 *Termination.* At any time prior to the Merger Effective Time, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by any party hereto.

Section 9.03 *Amendments and Waivers*.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.04 *Expenses*. Except to the extent otherwise expressly provided for in any of the Transaction Documents, all costs and expenses incurred by any Party in connection with the negotiation, preparation, execution and delivery of this Agreement and the Transaction Documents and the consummation of the Closing shall be paid by the Party incurring such costs or expenses.

Section 9.05 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.06 *Governing Law*. This Agreement is governed by and shall be construed in accordance with Delaware Law, exclusive of its conflict-of-laws principles. In the event of a conflict between the provisions of this Agreement and any provision of the Certificate or the DGCL, the applicable provision of this Agreement shall control, to the extent permitted by law.

Section 9.07 *Consent to Jurisdiction*. The parties to this Agreement hereby consent to the non-exclusive jurisdiction of the courts of the State of Delaware in connection with any matter or dispute arising under this Agreement.

Section 9.08 *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.09 *Counterparts; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Each Transaction Document shall become effective when each party thereto shall have received a counterpart thereof signed by the other party thereto. No Transaction Document is intended to confer upon any Person other than the parties thereto any rights or remedies hereunder.

Section 9.10 *Entire Agreement*. The Transaction Documents constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party hereto.

Section 9.11 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other governmental authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Plan of Merger to be duly executed as of the day and year first above-written.

SHUTTERSTOCK, INC.

By: _____

Name: _____

Title: _____

SHUTTERSTOCK INVESTORS II, INC.

By: _____

Name: _____

Title: _____

INSIGHT VENTURE PARTNERS (CAYMAN) V, L.P.

By: _____

Name: _____

Title: _____

SHUTTERSTOCK INVESTORS III, INC.

By: _____

Name: _____

Title: _____

INSIGHT VENTURE PARTNERS V COINVESTMENT FUND, L.P.

By: _____

Name: _____

Title: _____

[*Signature Page to Agreement and Plan of Merger (Insight)*]

EXHIBIT A TO AGREEMENT AND PLAN OF MERGER

CERTIFICATE OF MERGER

OF

SHUTTERSTOCK INVESTORS II, INC.,
a Delaware corporation,

AND

SHUTTERSTOCK INVESTORS III, INC.,
a Delaware corporation,

WITH AND INTO

SHUTTERSTOCK, INC.,
a Delaware corporation

Pursuant to Title 8, Sections 251 and 264(c) of the Delaware General Corporation Law ("DGCL"), SHUTTERSTOCK, INC., a Delaware corporation (the "Company"), in connection with (i) the merger of SHUTTERSTOCK INVESTORS II, INC., a Delaware corporation ("SS II"), with and into the Company, and (ii) the merger of SHUTTERSTOCK INVESTORS II, INC., a Delaware corporation ("SS III"), with and into the Company (such mergers, together, the "Merger"), hereby certifies as follows:

FIRST: The names and states of domicile of the constituent corporations to the Merger (the "Constituent Entities") are:

Name	State of Domicile
Shutterstock, Inc.	Delaware
Shutterstock Investors II, Inc.	Delaware
Shutterstock Investors III, Inc.	Delaware

SECOND: An Agreement and Plan of Merger, dated as of **[ ]**, 2012 (the "Merger Agreement"), by and among the Company, SS II, SS III, Insight Venture Partners (Cayman) V, L.P. and Insight Venture Partners V Coinvestment Fund, L.P., has been approved, adopted, certified, executed and acknowledged by the Constituent Entities in accordance with Section 251 of the DGCL.

THIRD: The Company shall be the surviving entity in the Merger. The name of the surviving entity shall be "Shutterstock, Inc."

FOURTH: The Merger shall become effective upon the filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

FIFTH: An executed copy of the Merger Agreement is on file at the office of the surviving entity at 60 Broad Street, 30th Floor, New York, NY 10004.

SIXTH: A copy of the Merger Agreement will be furnished by the surviving entity, on request and without cost, to any stockholder of any of the Constituent Entities.

SEVENTH: The Certificate of Incorporation of the Company shall be the Certificate of Incorporation of the surviving entity.

* * * * *

IN WITNESS WHEREOF, the undersigned, for the purpose of effectuating the Merger of the Constituent Entities, pursuant to the DGCL, under penalties of perjury does hereby declare and certify that this is the act and deed of the Company and the facts stated herein are true and, accordingly, has hereunto signed this Certificate of Merger this **[ ]** day of **[ ]**, 2012.

SHUTTERSTOCK, INC.
a Delaware corporation

By: _____

Name: _____

Title: _____

[*Signature Page to Certificate of Merger (Insight)*]

Exhibit 3.4

AMENDED AND RESTATED

BYLAWS

OF

SHUTTERSTOCK, INC.

(As amended and restated on , 2012)

TABLE OF CONTENTS

BYLAWS

OF

SHUTTERSTOCK, INC.

ARTICLE I

CORPORATE OFFICES

1.1 REGISTERED OFFICE.

The registered office of the Corporation shall be fixed in the Corporation's Certificate of Incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES.

The Board of Directors may at any time establish other offices, and keep the books and records of the Corporation, except as may otherwise be required by law, at any place or places where the Corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by the Delaware General Corporation Law (the "DGCL"). In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the Corporation.

2.2 ANNUAL MEETING.

(a) The annual meeting of stockholders shall be held each year on a date and at a time designated by resolution of the Board of Directors. The meeting shall be for the election of directors to succeed those whose terms expire and for the transaction of such business as may properly come before the meeting.

(b) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's proxy materials with respect to such meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of record (the "Record Stockholder") of the Corporation who is a stockholder of record at the time of giving such notice, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section. For the avoidance of

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doubt, the foregoing clause (C) shall be the exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "Exchange Act")) at an annual meeting of stockholders.

(c) For nominations or other business to be properly brought before an annual meeting by a Record Stockholder pursuant to clause (C) of the foregoing paragraph, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, such business must be a proper subject for stockholder action, and the Record Stockholder and the beneficial owner, if any, on whose behalf any such proposal or nomination is made, must have acted in accordance with the representations set forth in the Solicitation Statement required by these Bylaws. To be timely, a Record Stockholder's notice shall be received by the Secretary at the principal executive offices of the Corporation not less than ninety (90) nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; *provided, however,* that, subject to the last sentence of this Section 2.2(c), in the event that the annual meeting is convened more than thirty (30) days before or after such anniversary date, notice by the Record Stockholder to be timely must be so received not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the date on which public announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event shall an adjournment, or postponement of an annual meeting for which notice has been given, commence a new time period (or extend any time period) for the giving of a Record Stockholder's notice as described above.

(d) Such Record Stockholder's notice shall set forth:

(A) as to each person whom the Record Stockholder proposes to nominate for election or re-election as a director (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act, and (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

(B) as to any business that the Record Stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made;

(C) as to the Record Stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made or the business is proposed (each, a "party"):

(1) the name and address of each such party;

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(2) (i) the class, series and number of shares of capital stock of the Corporation which are owned, directly or indirectly, beneficially and of record by each such party, (ii) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by each such party, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (iii) any proxy, contract, arrangement, understanding, or relationship pursuant to which either party has a right to vote, directly or indirectly, any shares of any security of the Corporation, (iv) any short interest in any security of the Corporation held by each such party (for purposes of this Section 2.2, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (v) any rights to dividends on the shares of the Corporation owned beneficially directly or indirectly by each such party that are separated or separable from the underlying shares of the Corporation, (vi) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which either party is a general partner or,

directly or indirectly, beneficially owns an interest in a general partner and (vii) any performance-related fees (other than an asset-based fee) that each such party is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of each such party's immediate family sharing the same household (which information set forth in this paragraph shall be supplemented by such stockholder or such beneficial owner, as the case may be, not later than ten (10) days after the record date for determining the stockholders entitled to notice of the meeting and/or to vote at the meeting to disclose such ownership as of such record date);

(3) any other information relating to each such party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act; and

(4) a statement whether or not each such party will deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to carry the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by the Record Stockholder or beneficial holder, as the case may be, to be sufficient to elect the nominee or nominees proposed to be nominated by the Record Stockholder (such statement, a "Solicitation Statement").

(e) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such

proposed nominee to serve as a director of the Corporation, including information relevant to a determination whether such proposed nominee can be considered an independent director.

(f) Only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws. The chairperson of the meeting shall determine whether a nomination or any business proposed to be transacted by the stockholders has been properly brought before the meeting and, if any proposed nomination or business has not been properly brought before the meeting, the chairperson shall declare that such proposed business or nomination shall not be presented for stockholder action at the meeting.

(g) For purposes of this Article, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(h) Notwithstanding the foregoing provisions of this Section 2.2, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 2.2. Nothing in this Section 2.2 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

2.3 SPECIAL MEETING.

(a) A special meeting of the stockholders, other than those required by statute, may be called at any time only by (A) the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, (B) the Chairperson of the Board of Directors, (C) the Chief Executive Officer or (D) the President (in the absence of a chief executive officer). A special meeting of the stockholders may not be called by any other person or persons. For purposes of these Bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(b) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the Board of Directors. The notice of a special meeting shall include the purpose for which the meeting is called. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (A) by or at the direction of the Board of Directors or (B) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of record of the Corporation who is a stockholder of record at the time of the giving of the notice provided for in this paragraph, who is entitled to vote at the meeting and upon such election and who delivers a written notice to the Secretary setting forth the information set forth in Section 2.2(d)(A) and (C). Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders only if such stockholder of record's notice required by the preceding sentence shall

be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall an adjournment, or postponement of a special meeting for which notice has been given, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the Board of Directors. The notice of such special meeting shall include the purpose for which the meeting is called.

(d) Notwithstanding the foregoing provisions of this Section 2.3, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 2.3. Nothing in this Section 2.3 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

2.4 NOTICE OF STOCKHOLDER'S MEETINGS; AFFIDAVIT OF NOTICE.

Notice of the place, if any, date, and time of all meetings of the stockholders, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given, not less than ten

(10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the DGCL or the Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; *provided, however*, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given to each stockholder in conformity herewith. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and, except as otherwise required by law, shall not be more than sixty (60) nor less than ten (10) days before the date of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such

adjourned meeting. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

2.5 QUORUM.

At any meeting of stockholders, the holders of a majority of the voting power of all issued and outstanding stock entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except to the extent that the presence of a larger number may be required by law or the rules of any stock exchange upon which the Corporation's securities are listed. Where a separate vote by a class or classes or series is required, a majority of the voting power of all issued and outstanding stock of such class or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to such matter. If a quorum is not present or represented at any meeting of stockholders, then the chairperson of the meeting or the holders of a majority in voting power of the stock entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time in accordance with Section 2.4.

2.6 ORGANIZATION.

Such person as the Board of Directors may have designated or, in the absence of such a person, the Chairperson of the Board of Directors or, in his or her absence, the Chief Executive Officer of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the voting of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairperson of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairperson of the meeting appoints.

2.7 CONDUCT OF BUSINESS.

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including the manner of voting and the conduct of business. The chairperson shall have the power to adjourn the meeting to another place, if any, date and time. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

2.8 VOTING.

(a) Except as may be otherwise provided in the Certificate of Incorporation or by law, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

(b) All elections of directors shall be determined by a plurality of the votes cast, and except as otherwise required by law or the rules of any stock exchange upon which the Corporation's securities are listed, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

2.9 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Subject to the rights of the holders of the shares of any series of preferred stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

2.10 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL or of the Certificate of Incorporation or these Bylaws to a stockholder, a written waiver thereof, signed by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

2.11 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING.

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of

stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2.11 at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted,

and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

2.12 PROXIES.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by a written proxy, signed by the stockholder and filed with the Secretary of the Corporation, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, electronic or telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the DGCL.

ARTICLE III

DIRECTORS

3.1 POWERS.

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

3.2 NUMBER AND QUALIFICATION OF DIRECTORS.

Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board. Directors need not be stockholders of the Corporation.

3.3 ELECTION AND TERM OF OFFICE OF DIRECTORS.

The Board shall be divided into three (3) classes: Class I, Class II and Class III, effective at the same time that the stockholders appoint and elect directors to the inaugural classes of Class I, Class II and Class III. Each director shall serve for a term expiring at the third annual meeting following his or her election; *provided, that*, with respect to the directors serving in the inaugural classes of Class I, Class II and Class III, the terms of the directors serving in Class I shall expire at the Corporation's first annual meeting of stockholders held after the effectiveness of the division of the Board into three (3) classes; the terms of the directors serving in Class II shall expire at the Corporation's second annual meeting of stockholders held after such effectiveness; and the terms of the directors serving in Class III shall expire at the Corporation's third annual meeting of stockholders held after such effectiveness. Each director shall hold office either until the term for which such director was elected or appointed has expired and a successor has been elected and qualified, or until such director's earlier death, resignation or removal.

3.4 RESIGNATION AND VACANCIES.

Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise required by law or by resolution of the Board of Directors, be filled only by a majority vote of the directors then in office, whether or not less than a quorum (and not by the stockholders), and directors so chosen shall serve for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires or until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board of Directors of the Corporation may hold meetings, both regular and special, either within or outside the State of Delaware. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS.

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 SPECIAL MEETINGS; NOTICE.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairperson of the Board of Directors, the Chief Executive Officer, the President, the Secretary or a majority of the Whole Board.

Notice of the time and place of special meetings shall be (i) delivered personally by courier or telephone to each director, (ii) sent by first-class mail, postage prepaid, (iii) sent by facsimile, or (iv) by electronic mail, directed to each director at that director's address, telephone number, facsimile number or electronic mail address as it is shown on the records of the Corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered at least twenty-four (24) hours before the time of the holding of the meeting, or on such shorter notice as the person or persons calling such meeting may deem necessary and appropriate in the circumstances. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. Notice of any meeting need not be given to any director who shall, either before or after the meeting, submit a waiver of such notice or who shall attend such meeting except attendance for the express purpose of objecting at

the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened. The notice need not specify the purpose of the meeting, and unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.8 QUORUM AND VOTING.

At all meetings of the Board of Directors, a majority of the Whole Board shall constitute a quorum for the transaction of business and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum is not present at any meeting of the Board of Directors, then the majority of directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.9 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL or of the Certificate of Incorporation or these Bylaws to a director, a written waiver thereof, signed by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

3.10 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Written consents representing actions taken by the board or committee may be executed by telex, telecopy or other facsimile transmission, and such facsimile shall be valid and binding to the same extent as if it were an original. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors or any committee thereof, as the case may be.

3.11 FEES AND COMPENSATION OF DIRECTORS.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

3.12 REMOVAL OF DIRECTORS.

Unless otherwise restricted by statute, by the Certificate of Incorporation or by these Bylaws, any director or the entire Board of Directors may be removed, but only for cause, by the holders of a majority of the shares then entitled to vote at an election of directors, voting together as a single class.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

3.13 CHAIRPERSON OF THE BOARD OF DIRECTORS.

The Corporation may also have, at the discretion of the Board of Directors, a Chairperson of the Board of Directors who shall not be considered an officer of the Corporation. The Chairperson of the Board of Directors shall preside at meetings of the Board of Directors.

3.14 EMERGENCY BYLAWS.

To the fullest extent permitted by law, in the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, the Board of Directors may adopt emergency bylaws.

ARTICLE IV

COMMITTEES

4.1 COMMITTEES OF DIRECTORS.

The Board of Directors may, by resolution passed by a majority of the Whole Board, designate one or more committees, with each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors or in the Bylaws of the Corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt or recommend any action or matter (other than election or removal of directors) expressly required by the DGCL to be submitted to stockholders or (b) amend the Bylaws of the Corporation.

4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(a) Section 3.5 (place of meetings and meetings by telephone);

(b) Section 3.6 (regular meetings);

(c) Section 3.7 (special meetings; notice);

(d) Section 3.8 (quorum and voting);

(e) Section 3.9 (waiver of notice); and

(f) Section 3.10 (board action by written consent without a meeting);

with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members. *However*:

(a) the time of regular meetings of committees may be determined by resolution of the committee;

(b) special meetings of committees may also be called by resolution of the committee; and

(c) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

4.4 SUBCOMMITTEES.

Unless otherwise provided under applicable law, or in the certificate of incorporation, these Bylaws or the resolutions of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V

OFFICERS

5.1 OFFICERS.

The officers of the Corporation shall be a Chief Executive Officer, a Chief Financial Officer and a Secretary. The Corporation may also have, at the discretion of the Board of Directors, a President, one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, and any such other officers as may be appointed in

accordance with the provisions of Section 5.3 of these Bylaws. Any number of offices may be held by the same person. Officers need not be stockholders of the Corporation.

5.2 APPOINTMENT OF OFFICERS.

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these Bylaws, shall be appointed by the Board of Directors, subject to the rights, if any, of an officer under any contract of employment; *provided, however,* that the Board of Directors may empower the Chief Executive Officer or the President to appoint one or more Vice Presidents and Assistant Vice Presidents.

5.3 SUBORDINATE OFFICERS.

The Board of Directors may appoint, or empower the Chief Executive Officer or the President to appoint, such other officers and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these

Bylaws or as the Board of Directors, the Chief Executive Officer or the President may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the attention of the Secretary of the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

5.6 CHIEF EXECUTIVE OFFICER.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson of the Board of Directors, if any, the Chief Executive Officer of the Corporation shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the Corporation. He or she shall, in the absence or nonexistence of a chairperson of the Board of Directors, preside at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed or delegated by the Board of Directors or these Bylaws.

5.7 PRESIDENT.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson of the Board of Directors (if any) or the Chief Executive Officer, the President, if one shall have been appointed, shall have general supervision, direction, and control of the business and other officers of the Corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed or delegated by the Board of Directors or these Bylaws.

5.8 VICE PRESIDENTS.

Each Vice President and Assistant Vice President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President, Assistant Vice President or any other title selected by the Board of Directors.

5.9 SECRETARY AND ASSISTANT SECRETARIES.

(a) The Secretary shall attend meetings of the Board of Directors and meetings of the stockholders and record all votes and minutes of all such proceedings in a book or books kept for such purpose. The Secretary shall have all such further powers and duties as are customarily and usually associated with the position of secretary or as may from time to time be assigned to him or her by the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

(b) Each Assistant Secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Secretary. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the assistant secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

5.10 CHIEF FINANCIAL OFFICER, TREASURER AND ASSISTANT TREASURERS.

(a) The Chief Financial Officer shall be responsible for maintaining the Corporation's accounting records and statements, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Chief Financial Officer shall also maintain adequate records of all assets, liabilities and transactions of the Corporation and shall assure that adequate audits thereof are currently and regularly made. The Chief Financial Officer shall have all such further powers and perform all such further duties as are

customarily and usually associated with the position of chief financial officer, or as may from time to time be assigned to him or her by the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President. Unless a treasurer has been appointed separately in accordance with these Bylaws, the Chief Financial Officer shall also perform the duties of treasurer prescribed in paragraph (b) below.

(b) The Treasurer shall have custody of the Corporation's funds and securities, shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by any duly authorized officer of the Corporation, and shall have such further powers and perform such further duties as may from time to time be assigned to him or her by the Board of Directors, the Chief Executive Officer, or the President.

(c) Each Assistant Treasurer shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer.

5.11 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The Chairperson of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Secretary or Assistant Secretary of this Corporation, or any other person authorized by the Board of Directors or the Chief Executive Officer or the President or a Vice President, is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations held by this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

5.12 AUTHORITY AND DUTIES OF OFFICERS.

In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated or delegated from time to time by the Board of Directors.

ARTICLE VI

CAPITAL STOCK

6.1 STOCK CERTIFICATES.

The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Each holder of stock represented by certificates shall be entitled to a certificate signed by, or in the name of the Corporation by, the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the

number of shares owned by him or her. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue. Notwithstanding any other provision in these Bylaws, the Corporation may adopt a system of issuance, recordation and transfer of shares of the Corporation by electronic or other means not involving any issuance of certificates, including provisions for notice to purchasers in substitution for any required statements on certificates, and as may be required by applicable corporate securities laws, which system has been approved by the Securities and Exchange Commission. Any system so adopted shall not become effective as to issued and outstanding certificated securities until the certificates therefor have been surrendered to the Corporation. The Corporation shall not have power to issue a certificate in bearer form.

6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section 6.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this section 6.2 a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST, STOLEN OR DESTROYED CERTIFICATES.

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and canceled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged

loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 DIVIDENDS.

The Board of Directors, subject to any restrictions contained in the Certificate of Incorporation or applicable law, may declare and pay dividends upon the shares of the Corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock, subject to the provisions of the certificate of incorporation.

The Board of Directors may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

6.5 TRANSFER OF STOCK.

Shares of stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 REGISTERED STOCKHOLDERS.

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

RECORDS AND REPORTS

7.1 MAINTENANCE AND INSPECTION OF RECORDS; STOCKLIST.

The Corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books, and other records.

The officer who has charge of the stock ledger of the Corporation shall, at least ten (10) days before every meeting of stockholders, prepare and make a complete list of stockholders entitled to vote at any meeting of stockholders, *provided*, *however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before the meeting date, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name. Such list shall be open to the examination of any stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law.

A stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine (a) the identity of the stockholders entitled to examine such stock list and to vote at the meeting and (b) the number of shares held by each of them.

ARTICLE VIII

INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS.

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or while a director of the Corporation or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of

nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of

the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE.

To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS.

Subject to the other provisions of this Article VIII, the Corporation shall have power to indemnify its employees and its agents to the extent not prohibited by the DGCL or other applicable law. The Board of Directors shall have the power to delegate the determination of whether employees or agents shall be indemnified to such person or persons as the board of determines.

8.5 ADVANCED PAYMENT OF EXPENSES.

Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation, and expenses (including attorneys' fees) incurred by the Corporation's employees and agents in defending any Proceeding may be paid by the Corporation, in advance of the final disposition of such

Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems reasonably appropriate and shall be subject to the Corporation's expense guidelines. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these Bylaws, but shall apply to any Proceeding referenced in Section 8.6(b), 8.6(c) or 8.6(e) prior to a determination that the person is not entitled to be indemnified by the Corporation.

8.6 LIMITATION ON INDEMNIFICATION.

Subject to the requirements in Section 8.3 and the DGCL, the Corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Exchange Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Corporation, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by such person (and not by way of defense), unless (A) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (B) the Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (C) otherwise required to be made under Section 8.7 or (D) otherwise required by applicable law; or

(e) if prohibited by applicable law; *provided*, *however*, that if any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (A) the validity, legality and enforceability of the remaining provisions of this Article VIII (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (B) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each

such portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforcebable.

8.7 DETERMINATION; CLAIM.

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Corporation shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the Corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL.

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF APPEAL OF MODIFICATION.

Any amendment, alteration or repeal of this Article VIII shall not adversely affect

any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

8.12 CERTAIN DEFINITIONS.

For purposes of this Article VIII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

ARTICLE IX

GENERAL MATTERS

9.1 CHECKS.

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

9.2 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.3 FISCAL YEAR.

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

9.4 SEAL.

The Corporation may adopt a corporate seal, which may be altered at pleasure, and may use the same by causing it or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

9.5 TIME PERIODS.

In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and

the date of the event shall be included.

9.6 EVIDENCE OF AUTHORITY.

A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

9.7 CERTIFICATE OF INCORPORATION.

All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

9.8 SEVERABILITY.

Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

9.9 CONSTRUCTION; DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE X

NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the Certificate of Incorporation or these Bylaws, any notice shall be effective if given by a form of electronic transmission in the manner provided in Section 232 of the DGCL.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board of Directors, or by the stockholders as provided in the Certificate of Incorporation.

Exhibit 4.2

SHUTTERSTOCK, INC.

FORM OF REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of , 2012, by and among Shutterstock, Inc., a Delaware corporation (the "Company"), and the holders the Company's capital stock listed on Schedule 1 hereto (the "Investors").

RECITALS

The Company and Shutterstock Images LLC have entered into an Agreement and Plan of Merger, dated of even date herewith, pursuant to which the Company was reorganized from a New York limited liability company to a Delaware corporation (the "Conversion") and the Investors were issued shares of the Company's Common Stock (as defined below) in exchange for membership interests held by the Investors in the predecessor limited liability company.

AGREEMENT

The parties agree as follows:

1. **Registration Rights.**

1.1 **Definitions.** For purposes of this Section 1:

(a) The term "Affiliate" has the meaning set forth in Section 3.5.

(b) The term "Affiliated Fund" has the meaning set forth in Section 1.12.

(c) The term "Board" has the meaning set forth in Section 1.2(c).

(d) The term "Common Stock" means the Company's Common Stock, par value $0.01 per share.

(e) The term "Exchange Act" means the Securities Exchange Act of 1934, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

(f) The term "Form S-3" means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act that permits significant incorporation by reference of the Company's subsequent public filings under the Exchange Act.

(g) The term "Holder" means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.12 of this Agreement.

(h) The term "Immediate Family Member" has the meaning set forth in Section 1.12.

(i) The term "Initiating Holders" has the meaning set forth in Section 1.2(b).

(j) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(k) The term "Registrable Securities" means (i) the shares of Common Stock issued to the Investors in connection with the Conversion and (ii) any other shares of Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in (i); provided, however, that the foregoing definition shall exclude in all cases any Registrable Securities sold by a person in a transaction in which such person's rights under this Agreement are not assigned. Notwithstanding the foregoing, Common Stock or other securities shall only be treated as Registrable Securities if and so long as (A) they have not been sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, (B) they have not been sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions, and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale, or (C) the Holder thereof is entitled to exercise any right provided in Section 1 in accordance with Section 1.12 below.

(l) The term "Registration Expenses" means all expenses (other than Selling Expenses) arising from or incident to the performance of, or compliance with, Section 1.2, 1.3 and 1.4 including, without limitation, (i) SEC, stock exchange, Financial Industry Regulatory Authority and other registration, qualification and filing fees, (ii) all fees and expenses incurred in connection with complying with any securities or blue sky laws, (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any special audits or "comfort letters" required in connection with or incident to any registration), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange and (vi) Securities Act liability insurance (if the Company elects to obtain such insurance), regardless of whether any registration statement filed in connection with such registration is declared effective. "Registration Expenses" shall also include the fees, charges and disbursements of one (1) counsel to all of the Holders participating in any underwritten public offering pursuant to Sections 1.2, 1.3 or 1.4 (which shall be selected by a majority, based on the number of Registrable Securities to be sold, of the participating Holders); provided, however, that such fees, charges and disbursements of counsel to the participating Holders shall not exceed $75,000.

(m) The term "SEC" means the U.S. Securities and Exchange Commission.

(n) The term "Securities Act" means the U.S. Securities Act of 1933, as amended (and any successor thereto) and the rules and regulations promulgated thereunder.

(o) The term "Selling Expenses" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the participating Holders and any expenses of counsel or other advisors to the participating Holders which are not covered under, or are in excess of the limits set forth in, the definition of Registration Expenses.

(p) The term "selling security holder" has the meaning set forth in Section 1.8.

(q) The term "Violation" has the meaning set forth in Section 1.10(a).

1.2 **Demand Registration.**

(a) If the Company shall receive at any time after the date that is six months after the effective date of the first registration statement for a public offering of securities of the Company (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or an SEC Rule 145 transaction), a written request from the Holders of at least fifteen percent (15%) of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of at least such number of the Registrable Securities having an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least $10,000,000, then the Company shall, within 10 days of the receipt thereof, give written notice of such request to all Holders and shall, subject to the limitations of subsection 1.2(b), use its best efforts to file as soon as practicable, and in any event within 90 days of the receipt of such request, a registration statement under the Securities Act covering all Registrable Securities which the Holders request to be registered within 20 days of the mailing of such notice by the Company.

(b) If the Holders initiating the registration request hereunder ("Initiating Holders") intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2 and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter will be selected by a majority in interest of the Initiating Holders and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all participating Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each participating Holder; provided, however, that the number of shares of

Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company (the "Board"), it would be seriously detrimental to the Company and its holders of capital stock for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer such filing; provided, however, that the right to delay a demand request under this Section 1.2(c) shall be exercised by the Company not more than twice in any twelve (12) month period and the Company shall only have the right to delay a demand request on each occasion for a period not to exceed ninety (90) days individually, or one hundred and twenty (120) days in the aggregate.

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) after the Company has effected three (3) registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) during the period starting with the date 90 days prior to the Company's good faith estimate of the date of filing of, and ending on a date 90 days after the effective date of, a registration subject to Section 1.3 unless such offering is the initial public offering of the Company's securities, in which case, ending on a date 180 days after the effective date of such registration subject to Section 1.3; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or

(iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.4.

1.3 **Piggyback Registration.** If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for holders of capital stock other than the Holders) any of its stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within 20 days after mailing of such notice by the Company in accordance with Section 3.4, the Company shall, subject to the cut back provisions of Section 1.8, cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

1.4 **Form S-3 Registration.** In case the Company shall receive from any Holder or Holders of at least fifteen percent (15%) of the Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with

respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $5,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its holders of capital stock for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer such filing; provided, however, that the right to delay a Form S-3 request under this Section 1.4(b) shall be exercised by the Company not more than twice in any twelve (12) month period and the Company shall only have the right to delay a Form S-3 request on each occasion for a period not to exceed ninety (90) days individually, or one hundred and twenty (120) days in the aggregate; (iv) if the Company has, within the 12-month period preceding the date of such request, already effected two registrations on Form S-3 for the Holders pursuant to this Section 1.4; (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (vi) during the period ending 180 days after the effective date of a registration statement subject to Section 1.3.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as demands for registration or piggyback registrations effected pursuant to Sections 1.2 or 1.3, respectively.

1.5 **Obligations of the Company.** Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become

effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for up to 120 days, or until the distribution described in such registration statement is completed, if earlier.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, such obligation to continue for 120 days.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(i) Use its best efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to

the underwriters and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters.

1.6 **Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable

Securities. The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.4 of this Agreement if, as a result of the application of the preceding sentence, the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.4(b), whichever is applicable.

1.7 **Expenses of Registration.**

(a) **Demand Registration.** All Registration Expenses incurred pursuant to Section 1.2 shall be borne by the Company; provided, however, that the Company shall not be required to pay for any Registration Expenses incurred pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; provided further, however, that if at the time of such withdrawal, the Holders (i) have learned of a material adverse change in the condition, business, or prospects of the Company that was not known to the Holders at the time of their request and (ii) have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall not forfeit their rights pursuant to Section 1.2.

(b) **Piggyback Registration.** All Registration Expenses incurred pursuant to Section 1.3 for each Holder shall be borne by the Company.

(c) **Registration on Form S-3.** All Registration Expenses incurred pursuant to Section 1.4 for each Holder shall be borne by the Company.

1.8 **Underwriting Requirements.** In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by holders of capital stock to be included in such offering exceeds the amount of securities sold

other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling security holders according to the total amount of securities entitled to be included therein owned by each selling security holder or in such other proportions as shall mutually be agreed to by such selling security holders) but in no event shall the amount of securities of the selling Holders included in the offering be reduced below 20% of the total amount of securities included in such offering. For purposes of the preceding parenthetical concerning apportionment, for any selling security holder which is a holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and holders of capital stock of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling security holder," and any pro-rata reduction with respect to such "selling security holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling security holder," as defined in this sentence.

1.9 **Delay of Registration.** No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 **Indemnification.** In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers, directors and security holders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay to each such Holder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable to any Holder, underwriter or controlling person for any such loss,

claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided that in no event shall any indemnity under this subsection 1.10(b) exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.10.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable

by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; provided that in no event shall any contribution by a Holder under this Subsection 1.10(d) exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.11 **Reports Under the Exchange Act.** With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after 90 days after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public so long as the Company remains subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it

qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

1.12 **Assignment of Registration Rights.** The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee (a) that is a subsidiary, parent, partner, limited partner, retired partner, member, retired member or holder of capital stock of a Holder, (b) that is an affiliated fund or entity of the Holder, which means with respect to a limited liability company or a limited partnership, a fund or entity managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company (such a fund or entity, an "Affiliated Fund"), (c) who is a Holder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (such a relation, a Holder's "Immediate Family Member", which term shall include adoptive relationships), or (d) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member, provided the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and provided, further, that such assignment shall be effective only if the transferee agrees to be bound by this Agreement and immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of (i) a partnership who are partners or retired partners of such partnership or (ii) a limited liability company who are members or retired members of such limited liability company (including Immediate Family Members of such partners or members who acquire Registrable Securities by gift, will or intestate succession) shall be aggregated together and with the partnership or limited liability company; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under Section 1.

1.13 **Termination of Registration Rights.** The rights contained in Section 1 hereof shall terminate at the earlier of (a) five (5) years from the effective date of the Company's first registration statement for a public offering of securities of the Company; (b) with respect to a Holder, at such time that, in the opinion of the Company's counsel, all Registrable Securities held, or issuable upon conversion of securities then held, by such Holder may be sold in a three (3) month period without registration under the Securities Act pursuant to Rule 144 or another similar exemption under the Securities Act; or (c) upon termination of this Agreement, as provided in Section 2.

2. **Termination of Agreement.**

2.1 **Termination Events.** This Agreement shall terminate and have no further force or effect upon the earlier of:

(a) the liquidation, dissolution or indefinite cessation of the business operations of the Company;

(b) the execution by the Company of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of the property and assets of the Company;

(c) the consummation of a transaction or series of related transactions deemed to be a liquidation, dissolution or winding up of the Company pursuant to the Company's Certificate of Incorporation; and

(d) the termination of all Holders' registration rights pursuant to Section 1.13.

3. **Miscellaneous.**

3.1 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and supersedes any and all other written or oral agreements relating to the subject matter hereof existing between the parties hereto.

3.2 **Successors and Assigns; No Third Party Beneficiaries.** Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns and legal representatives of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors, assigns and legal representatives any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.3 **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of (a) the Company and (b) the holders of at least a majority of the Registrable Securities (or their respective successors, assigns and legal representatives). Any amendment or waiver effected in accordance with this Section 3.3 shall be binding upon the Company, the Investors, and each of their respective successors and assigns. Any Holder may waive his or her rights or the Company's obligations to such Holder hereunder without obtaining the consent of any other person.

3.4 **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed effectively given (i) upon personal delivery to the party to be notified, (ii) five days after deposit in the United States mail, by registered or certified mail, postage prepaid and properly addressed to the party to be notified, (iii) two days after deposit with an airborne or overnight courier, specifying priority delivery, with written verification of receipt and properly addressed to the party to be notified, or (iv) when received if transmitted by telecopy (to be followed by U.S. mail), electronic or digital transmission method. In each case, notice shall be sent to the addresses set forth on the signature page or on Schedule 1 hereto, or as subsequently modified by written notice to the other parties hereto.

3.5 **Aggregation of Stock.** All shares of capital stock of the Company held or acquired by Affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may

apportion such rights as among themselves in any manner they deem appropriate. As used herein, "Affiliate" means, with respect to any specified Investor, any other Investor who, directly or indirectly, controls, is controlled by or is under common control with such Investor, including, without limitation, any general partner, managing member, officer or director of such Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, such Investor.

3.6 **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of this Agreement shall be interpreted as if such provision were so excluded and (c) the balance of this Agreement shall be enforceable in accordance with its terms.

3.7 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of New York, without giving effect to conflict of law principles thereof. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of any New York federal court sitting in the Borough of Manhattan of The City of New York or the New York State courts located in The City of New York.

3.8 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

3.9 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

[Signature Pages Follow]

The parties have executed this Registration Rights Agreement as of the date first written above.

THE COMPANY:

SHUTTERSTOCK, INC.

By: _____
(Signature)

Name: _____
Title: _____

Address:
60 Broad Street, 30th Floor
New York, NY 10004

INVESTORS:

PIXEL HOLDINGS INC.

By: _____
Name: Jon Oringer
Title: President and CEO

The parties have executed this Registration Rights Agreement as of the date first written above.

INVESTORS:

SHUTTERSTOCK INVESTORS, LLC

By: _____
Name:
Title:

SHUTTERSTOCK INVESTORS I, LLC

By: _____
Name:
Title:

SHUTTERSTOCK INVESTORS II, INC.

By: _____
Name:
Title:

SHUTTERSTOCK INVESTORS III, INC.

By: _____
Name:
Title:

The parties have executed this Registration Rights Agreement as of the date first written above.

INVESTORS:

ADAM RIGGS

DAN MCCORMICK

THILO SEMMELBAUER

SCHEDULE 1

INVESTORS

Name and Address

Pixel Holdings Inc.

Address:
60 Broad Street, 30th Floor
New York, NY 10004

Shutterstock Investors, LLC
Shutterstock Investors I, LLC
Shutterstock Investors II, Inc.
Shutterstock Investors III, Inc.

Address:
c/o Insight Venture Partners
680 Fifth Avenue, 8th Floor
New York, NY 10019

Adam Riggs

Address:
c/o The Nelson Law Firm, LLC
White Plains Plaza
One North Broadway
White Plains, New York 10601

Dan McCormick

Address:
c/o Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004

Name and Address

Thilo Semmelbauer

Address:
c/o Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004

Exhibit 5.1

ORRICK, HERRINGTON & SUTCLIFFE LLP
51 W 52ND STREET
NEW YORK, NEW YORK 10019-6142

tel +1-212-506-5000
fax +1-212-506-5151

WWW.ORRICK.COM

September 27, 2012

Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We are acting as counsel for Shutterstock. Inc., a Delaware corporation (the "Company"), in connection with the registration statement on Form S-1 filed by the Company with the Securities and Exchange Commission (the "Commission") on May 14, 2012 (File No. 333-181376), as amended (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the registration of 5,175,000 shares of common stock of the Company, par value $0.01 per share (the "Shares"), including up to 675,000 shares issuable upon exercise of an over-allotment option granted by the Company. We understand that the Shares are to be sold to the underwriters for resale to the public as described in the Registration Statement and pursuant to an underwriting agreement, substantially in the form filed as an exhibit to the Registration Statement, to be entered into by and among the Company and the underwriters (the "Underwriting Agreement").

In connection with rendering the opinion set forth below, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of instruments, documents, and records which we deemed relevant and necessary for the purpose of rendering our opinion set forth below, including the Certificates of Merger to be filed in conjunction with the Company's reorganization contemplated by the Registration Statement. In such examination, we have assumed the following: (a) the Certificates of Merger will be filed with the Secretary of State of the State of New York and the Secretary of State of the State of Delaware and will be substantially identical to the forms of the Certificates of Merger reviewed by us, (b) the authenticity of original documents and the genuineness of all signatures, (c) the conformity to the originals of all documents submitted to us as copies, (d) the representations of officers and employees are correct as to questions of fact, (e) the Registration Statement has been declared effective pursuant to the Securities Act, and (f) the reorganization will be carried out substantially as contemplated in the Registration Statement.

Our opinion herein is limited to the General Corporation Law of the State of Delaware.

Based upon the foregoing, we are of the opinion that the Shares to be issued and sold by the Company have been duly authorized and, when such Shares are issued and paid for in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder, nor do we thereby admit that we are "experts" within the meaning of such term as used in the Securities Act with respect to any part of the Registration Statement, including this opinion letter as an exhibit or otherwise.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

ORRICK, HERRINGTON & SUTCLIFFE LLP

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are (a) to attract and retain the best available personnel to ensure the Company's success and accomplish the Company's goals; (b) to incentivize Employees, Directors and Consultants with long-term equity-based compensation to align their interests with the Company's stockholders, and (c) to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards 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 laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" except as may otherwise be provided in a Stock Option Agreement, Restricted Stock Agreement or other applicable agreement, means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 2(f)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 2(f)(i));

(iii) 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 twelve (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, if any Person (as defined below in Section 2(f)(iv)) 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;

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (iv), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company; or

(v) A complete winding up, liquidation or dissolution of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or 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 transactions.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, 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.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(i) "Common Stock" means the common stock of the Company.

(j) "Company" means Shutterstock, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program established by the Committee under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for (i) Awards with a lower exercise price, (ii) a different type of Award or awards under a different equity incentive plan, (iii) cash, or (iv) a combination of (i), (ii) and/or (iii). Notwithstanding the preceding, the term Exchange Program does not include any (i) action described in Section 13 or any action taken in connection with a change in control transaction nor (ii) transfer or other disposition permitted under Section 12. For the purpose of clarity, each of the actions described in the prior sentence, none of which constitute an Exchange Program, may be undertaken (or authorized) by the Committee in its sole discretion without approval by the Company's shareholders.

(q) "Fair Market Value" means, as of any date, 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, the 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 (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, 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, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company's Common Stock; or

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

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

(s) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) "Inside Director" means a Director who is an Employee.

(u) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) "Option" means a stock option granted pursuant to the Plan.

(x) "Outside Director" means a Director who is not an Employee.

(y) "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(z) "Participant" means the holder of an outstanding Award.

(aa) "Performance Goal" means a performance goal established by the Committee pursuant to Section 10(c) of the Plan.

(bb) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) "Plan" means this 2012 Omnibus Equity Incentive Plan.

(ff) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(g) of the Exchange Act, with respect to any class of the Company's securities.

(gg) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan.

(hh) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ii) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(jj) "Section 16(b)" means Section 16(b) of the Exchange Act.

(kk) "Service Provider" means an Employee, Director or Consultant.

(ll) "Share" means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(mm) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(nn) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 6,750,000 Shares (the "Initial Share Reserve"). Approximately 1,750,000 of the Initial Share Reserve shall be used

immediately following the Registration Date to grant Nonstatutory Stock Options in replacement of existing outstanding Value Appreciation Rights previously granted under the Shutterstock Images LLC Value Appreciation Plan. The Shares may be authorized, but unissued, or reacquired Common Stock. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in this Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2013 Fiscal Year, in an amount equal to the least of (i) 1,500,000 Shares, (ii) three percent (3%) of the outstanding Shares on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) Lapsed Awards. To the extent an Award expires, is surrendered pursuant to an Exchange Program or becomes unexercisable without having been exercised or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Notwithstanding the foregoing (and except with respect to Shares of Restricted Stock that are forfeited rather than vesting), Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations established for the purpose of satisfying applicable foreign laws, for qualifying for favorable tax treatment under applicable foreign laws or facilitating compliance with foreign laws; sub-plans may be created for any of these purposes;

(viii) to modify or amend each Award (subject to Section 18 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(ix) to allow Participants to satisfy withholding tax obligations in such manner as prescribed in Section 14 of the Plan;

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

(d) Exchange Program. Notwithstanding the anything in this Section 4, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any annual or special meeting of Company's shareholders.

(e) Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company; provided, however, that the Committee may not delegate its authority and powers (a) with respect to an Officer or (b) in any way which would jeopardize the Plan's qualification under Code Section 162(m) or Rule 16b-3.

5. Award Eligibility and Limitations.

(a) Award Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

(b) Award Limitations. The following limits shall apply to the grant of any Award if, at the time of grant, the Company is a "publicly held corporation" within the meaning of Section 162(m) of the Code:

(i) Options and Stock Appreciation Rights. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more Options or Stock Appreciation Rights, which in the aggregate cover more than 500,000 Shares reserved for issuance

under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Options or Stock Appreciation Rights, which in the aggregate cover up to an additional 1,000,000 Shares reserved for issuance under the Plan.

(ii) Restricted Stock and Restricted Stock Units. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more awards of Restricted Stock or Restricted Stock Units, which in the aggregate cover more than 500,000 Shares reserved for issuance under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Restricted Stock or Restricted Stock Units s, which in the aggregate cover up to an additional 1,000,000 Shares reserved for issuance under the Plan.

(iii) Performance Units and Performance Shares. Subject to adjustment as provided in Section 13, no Employee shall receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) greater than two million dollars ($2 million) or covering more than 500,000 Shares, whichever is greater; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) of up to an additional amount equal five million dollars ($5 million) or covering up to 1,000,000 Shares, whichever is

greater. No Participant may be granted more than one award of Performance Units or Performance Shares for the same Performance Period.]

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars ($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. With respect to the Committee's authority in Section 4(b)(viii), if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Committee, be limited to the earlier of (1) the maximum term of the Option as set by its original terms, or (2) ten (10) years from the grant date. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 4(b)(viii) shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration for both types of Options may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions (if any) related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis (including the passage of time) determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Dividend Equivalents. The Administrator may, in its sole discretion, award dividend equivalents in connection with the grant of Restricted Stock Units that may be settled in cash, in Shares of equivalent value, or in some combination thereof.

(e) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made upon the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(f) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) relating to the maximum term and Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set Performance Goals or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the “Performance Period.” Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Measurement of Performance Goals. Performance Goals shall be established by the Committee on the basis of targets to be attained ("Performance Targets") with respect to one or more measures of business or financial performance (each, a "Performance Measure"), subject to the following:

(i) Performance Measures. For each Performance Period, the Committee shall establish and set forth in writing the Performance Measures, if any, and any particulars, components and adjustments relating thereto, applicable to each Participant. The Performance Measures, if any, will be objectively measurable and will be based upon the achievement of a specified percentage or level in one or more objectively defined and non-discretionary factors preestablished by the Committee. Performance Measures may be one or more of the following, as determined by the Committee: (i) sales or non-sales revenue; (ii) return on revenues; (iii) operating income; (iv) income or earnings including operating income; (v) income or earnings before or after taxes, interest, depreciation and/or amortization; (vi) income or earnings from continuing operations; (vii) net income; (vii) pre-tax income or after-tax income; (viii) net income excluding amortization

of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (ix) raising of financing or fundraising; (x) project financing; (xi) revenue backlog; (xii) power purchase agreement backlog; (xiii) gross margin; (xiv) operating margin or profit margin; (xv) capital expenditures, cost targets, reductions and savings and expense management; (xvi) return on assets (gross or net), return on investment, return on capital, or return on shareholder equity; (xvii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xviii) performance warranty and/or guarantee claims; (xix) stock price or total stockholder return; (xx) earnings or book value per share (basic or diluted); (xxi) economic value created; (xxii) pre-tax profit or after-tax profit; (xxiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, objective customer satisfaction or information technology goals; (xxiv) objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions; (xxv) construction projects consisting of one or more objectives based upon meeting project completion timing milestones, project budget, site acquisition, site development, or site equipment functionality; (xxvi) objective goals relating to staff management, results from staff attitude and/or opinion surveys, staff satisfaction scores, staff safety, staff accident and/or injury rates, headcount, performance management, completion of critical staff training initiatives; (xxvii) objective goals relating to projects, including project completion timing milestones, project budget; (xxviii) key regulatory objectives; and (xxix) enterprise resource planning.

(ii) Committee Discretion on Performance Measures. As determined in the discretion of the Committee, the Performance Measures for any Performance Period may (a) differ from Participant to Participant and from Award to Award, (b) be based on the performance of the Company as a whole or the performance of a specific Participant or one or more subsidiaries, divisions, departments, regions, stores, segments, products, functions or business units of the Company or individual project company, (c) be measured on a per share, per capita, per unit, per square foot, per employee, per store basis, and/or other objective basis (d) be measured on a pre-tax or after-tax basis, and (e) be measured on an absolute basis or in relative terms (including, but not limited to, the passage of time and/or against other companies, financial metrics and/or an index). Without limiting the foregoing, the Committee shall adjust any performance criteria, Performance Measures or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock. Awards that are not intended by the Company to comply with the performance-based compensation exception under Code Section 162(m) may take into account other factors (including subjective factors).

(e) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any Performance Goals or other vesting provisions for such Performance Unit/Share.

(f) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made upon the time set forth in the applicable Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(g) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence unless contrary to Applicable Law. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Participant's employer or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Participant's employer is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change 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, kind and class of securities that may be delivered under the Plan and/or

the number, class, kind and price of securities covered by each outstanding Award, the numerical Share limits in Section 3 of the Plan. Notwithstanding the forgoing, all adjustments under this Section 13 shall be made in a manner that does not result in taxation under Code Section 409A.

(b) Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been

previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger or Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that each Award be assumed, cancelled or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards similarly in the transaction.

Except as set forth in an Award Agreement, in the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all Performance Goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

14. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or prior to any time the Award or Shares are subject to taxation, the Company and/or the Participant's employer will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation or social insurance contributions) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld (to the extent required to avoid adverse accounting consequences), or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld to the extent required to avoid adverse accounting consequences or Shares having a Fair Market Value in excess of such amount that have been held for such period required to avoid adverse accounting consequences. Except as otherwise determined by the Administrator, the Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A (or an exemption therefrom) and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A (or an exemption therefrom), such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company be responsible for or reimburse a Participant for any taxes or other penalties incurred as a result of applicable of Code Section 409A.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, or (if different) the Participant's employer, nor will they interfere in any way with the Participant's right or the Participant's employer's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 of the Plan, the Plan will become effective upon the earlier of its adoption by the Board or the Company's shareholders. It will continue in effect for a term of ten (10) years from such effective date, unless terminated earlier under Section 18 of the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Committee may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award 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.

20. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (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.

22. Governing Law. The Plan and all Awards hereunder shall be construed in accordance with and governed by the laws of the State of New York, but without regard to its conflict of law provisions.

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Shutterstock, Inc. 2012 Omnibus Equity Incentive Plan (the "***Plan***") will have the same defined meanings in this Stock Option Award Agreement (the "***Award Agreement***").

I. NOTICE OF STOCK OPTION GRANT

Participant Name:

Address:

You have been granted an Option to purchase Common Stock of Shutterstock, Inc. (the "***Company***"), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number		
Date of Grant		
Vesting Commencement Date		
Exercise Price per Share	$	
Total Number of Shares Granted		
Total Exercise Price	$	
Type of Option:		U.S. Incentive Stock Option
		U.S. Nonstatutory Stock Option
Term/Expiration Date:		
Vesting Schedule:		

Subject to Section 2 of the Award Agreement and any acceleration provisions contained in the Plan or set forth below, this Option may be exercised, in whole or in part, in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases (as defined in Section 2 of the Award Agreement) to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 13 of the Plan.

By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Stock Option Grant (including any country-specific addendum thereto), attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:	SHUTTERSTOCK, INC.
Signature	By
Print Name	Title

Residence Address:

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant of Option. The Company hereby grants to the Participant named in the Notice of Grant attached as Part I of this Award Agreement (the "***Participant***") an option (the "***Option***") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "***Exercise Price***"), subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

If designated in the Notice of Grant as an Incentive Stock Option ("***ISO***"), this Option is intended to qualify as an ISO under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "***Code***"). However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it will be treated as a Nonstatutory Stock Option ("***NSO***"). Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2. Vesting Schedule. Except as provided in Section 3, the Option awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs. Service Provider status will end on the day that notice of termination is provided (whether by the Company or Parent or Subsidiary for any reason or by Participant upon resignation) and will not be extended by any notice period that may be required contractually or under applicable local law. Notwithstanding the foregoing, the Administrator (or any delegate) shall have the sole discretion to determine when Participant is no longer providing active service for purposes of Service Provider status and participation in the Plan.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Award Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit B (the "***Exercise Notice***") or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "***Exercised Shares***"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any applicable tax withholding. This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant unless the Administrator in its sole discretion requires a specific method of payment:

(a) cash (US dollars); or

(b) check (denominated in U.S. dollars); or

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

Participant understands and agrees that any cross-border remittance made to exercise this option or transfer proceeds received upon the sale of Stock must be made through a locally authorized financial institution or registered foreign exchange agency and may require the Participant to provide such entity with certain information regarding the transaction.

6. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or Participant's employer (the "***Employer***") takes with respect to any or all applicable national, local, or other tax or social contribution, withholding, required deductions, or other payments, if any, that arise upon the grant, vesting, or exercise of this Option, the holding or subsequent sale of Shares, and the receipt of dividends, if any ("***Tax-Related Items***"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting, or exercise of the Option, the subsequent sale of Shares acquired under the Plan and the receipt of dividends, if any; and (b) does not commit to and is under no obligation to structure the terms of the Option or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items, or achieve any particular tax result. Further, if Participant has become subject to

tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) No payment will be made to Participant (or his or her estate or beneficiary) for an Option unless and until satisfactory arrangements (as determined by the Company) have been made by Participant with respect to the payment of any Tax-Related Items obligations of the Company and/or the Employer with respect to the Option. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Participant's wages or other cash compensation paid to Participant by the Company or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued upon exercise of the Option; or

(iv) surrendering already-owned Shares having a Fair Market Value equal to the Tax-Related Items that have been held for such period of time to avoid adverse accounting consequences.

If the obligation for Tax-Related Items is satisfied by withholding Shares, the Participant is deemed to have been issued the full number of Shares purchased for tax purposes, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of the Participant's participation in the Plan. Participant shall pay to the Company or Employer any amount of Tax-Related Items that the Company may be required to withhold as a result of Participant's participation in the Plan that cannot be satisfied by one or more of the means previously described in this paragraph 6. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Grant Date, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(c) Code Section 409A (Applicable Only to Participants Subject to U.S. Taxes). Under Code Section 409A, an option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the

"***IRS***") to be less than the Fair Market Value of a Share on the date of grant (a "***Discount Option***") may be considered "deferred compensation." A Discount Option may result in (i) income recognition by Participant prior to the exercise of the option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The Discount Option may also result in additional state income, penalty and interest charges to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the Date of Grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant will be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE EMPLOYER AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE (SUBJECT TO APPLICABLE LOCAL LAWS).

9. Nature of Grant. In accepting the Option, Participant acknowledges 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;

(b) the grant of the Option is voluntary and occasional and does not Create any contractual or other right to receive future grants of Options, or benefits in lieu of Options even if Options have been granted repeatedly in the past;

(c) all decisions with respect to future awards of Options, if any, will be at the sole discretion of the Company;

(d) Participant's participation in the Plan is voluntary;

(e) the Option and the Shares subject to the Option are an extraordinary items that do not constitute regular compensation for services rendered to the Company or the Employer, and that are outside the scope of Participant's employment contract, if any;

(f) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(g) the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, or end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty; further, if Participant exercises the Option and obtains Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;

(i) Participant also understands that neither the Company, nor any affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder);

(j) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of employment by the Employer (for any reason whatsoever and whether or not in breach of local labor laws), and Participant irrevocably releases the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim; and

(k) the Option and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

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

11. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and its affiliates may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality,

job title, any shares of stock or directorships held in the Company or any affiliate, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Personal Data"). Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Participant's country (if different than the United States), or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country.

For Participants located in the European Union, the following paragraph applies: Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares received upon exercise of the Option. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, without cost, by contacting in writing Participant's local human resources representative. Participant understands that refusal or withdrawal of consent may affect Participant's ability to participate in the Plan or to realize benefits from the Option. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its General Counsel at Shutterstock, Inc., 60 Broad Street, 30th Floor, New York, NY 10004, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any

securities exchange or under any state, federal or foreign law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares. The Company shall not be obligated to issue any Shares pursuant to this Option at any time if the issuance of Shares, or the exercise of an Option by Participant, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country.

16. [Lock-Up Agreement. In connection with the initial public offering of the Company's securities, Optionee hereby agrees not to offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company and the managing underwriters for such offering for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section.

If the underwriters release or waive any of the foregoing restrictions in connection with a transfer of shares of Common Stock, the underwriters shall notify the Company at least three business days before the effective date of any such release or waiver. Further, the Company will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the underwriters shall only be effective two business days after the

publication date of such press release. The provisions of this paragraph will not apply if (x) the release or waiver is effected solely to permit a transfer not for consideration and (y) the transferee has agreed in writing to be bound by the same terms of the lock-up provisions applicable in general to the extent, and for the duration, that such lock-up provision remain in effect at the time of the transfer.] ***[NOTE: ONLY INCLUDE FOR AWARDS GRANTED PRIOR TO THE END OF THE LOCK-UP PERIOD.]***

17. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

18. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

19. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Options awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. Language. If Participant has received this Award Agreement, including appendices, or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant understands that the laws of the country in which he or she is resident at the time of grant, vesting, and/or exercise of this Option or the holding or disposition of Shares (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option or may subject Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to this Option or the Shares. Notwithstanding any provision herein, this Option and any Shares shall be subject to any special

terms and conditions or disclosures as set forth in any addendum for Participant's country (the "Country-Specific Addendum," which forms part this Award Agreement).

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

24. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Option.

25. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

26. Governing Law. This Award Agreement will be governed by the laws of the State of New York, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, and agree that such litigation will be conducted in the courts of the County of New York, New York, or the federal courts for the United States for the Southern District of New York, and no other courts, where this Option is made and/or to be performed.

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EXHIBIT B

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004

1. Exercise of Option. Effective as of today, , , the undersigned ("***Purchaser***") hereby elects to purchase shares (the "***Shares***") of the Common Stock of Shutterstock, Inc. (the "***Company***") under and pursuant to the 2012 Omnibus Equity Incentive Plan (the "***Plan***") and the Stock Option Award Agreement dated (the "***Award Agreement***"). The purchase price for the Shares will be $, as required by the Award Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any required tax withholding to be paid in connection with the exercise of the Option.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Award Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. Entire Agreement; Governing Law. The Plan and Award Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all

prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of New York.

Submitted by:	Accepted by:
PURCHASER:	SHUTTERSTOCK, INC
Signature	By
Print Name	Title
Address:	Date Received

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

CONVERSION STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Shutterstock, Inc. 2012 Omnibus Equity Incentive Plan (the "***Plan***") used herein will have the same defined meanings in this Conversion Stock Option Award Agreement (the "***Conversion Award Agreement***").

I. NOTICE OF STOCK OPTION GRANT

Participant Name:

Address:

You have been granted an Option to purchase Common Stock of Shutterstock, Inc. (the "***Company***"), subject to the terms and conditions of the Plan and this Conversion Award Agreement, as follows:

Grant Number	
Date of Grant	
Vesting Commencement Date	
Exercise Price per Share	$
Total Number of Shares Granted	
Total Exercise Price	$
Type of Option:	U.S. Nonstatutory Stock Option
Term/Expiration Date:	**[Use Expiration Date for the VAR Award]**
Vesting Schedule:	

Subject to Section 2 of the Conversion Award Agreement and any acceleration provisions contained in the Plan or set forth below, this Option may be exercised, in whole or in part, in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases (as defined in Section 2 of the Conversion Award Agreement) to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 13 of the Plan.

By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Conversion Award Agreement, including the Terms and Conditions of Stock Option Grant including any country-specific addendum thereto), attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Conversion Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Conversion Award Agreement and fully understands all provisions of the Plan and Conversion Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Conversion Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:	SHUTTERSTOCK, INC.
_____	By: _____
Signature	
_____	_____
Print Name	Name
Residence Address:	_____
	Title

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant of Option. The Company hereby grants to the Participant named in the Notice of Grant attached as Part I of this Conversion Award Agreement (the "***Participant***") an option (the "***Option***") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "***Exercise Price***"), subject to all of the terms and conditions in this Conversion Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Conversion Award Agreement, the terms and conditions of the Plan will prevail. The Option is granted in substitution of the Participant's existing value appreciation right granted under the Shutterstock Images LLC Value Appreciation Plan and evidenced by a Value Appreciation Right Agreement dated [add date] (the "***Prior VAR Award***"). The Option and this Conversion Award Agreement supersede the Prior VAR Award and hereafter the Participant shall no longer have any rights with respect to the Prior VAR Award.

2. Vesting Schedule. Except as provided in Section 3, the Option awarded by this Conversion Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant, which shall be the same time-based vesting schedule as set forth in the Prior VAR Award. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Conversion Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs. Service Provider status will end on the day that notice of termination is provided (whether by the Company or Parent or Subsidiary for any reason or by Participant upon resignation) and will not be extended by any notice period that may be required contractually or under applicable local law. Notwithstanding the foregoing, the Administrator (or any delegate) shall have the sole discretion to determine when Participant is no longer providing active service for purposes of Service Provider status and participation in the Plan.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Conversion Award Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit B (the "***Exercise Notice***") or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "***Exercised***

Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any applicable tax withholding. This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant unless the Administrator in its sole discretion requires a specific method of payment:

(a) cash (US dollars); or

(b) check (denominated in U.S. dollars); or

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

Participant understands and agrees that any cross-border remittance made to exercise this option or transfer proceeds received upon the sale of Stock must be made through a locally authorized financial institution or registered foreign exchange agency and may require the Participant to provide such entity with certain information regarding the transaction.

6. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or Participant's employer (the "***Employer***") takes with respect to any or all applicable national, local, or other tax or social contribution, withholding, required deductions, or other payments, if any, that arise upon the grant, vesting, or exercise of this Option, the holding or subsequent sale of Shares, and the receipt of dividends, if any ("***Tax-Related Items***"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting, or exercise of the Option, the subsequent sale of Shares acquired under the Plan and the receipt of dividends, if any; and (b) does not commit to and is under no obligation to structure the terms of the Option or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items, or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) No payment will be made to Participant (or his or her estate or beneficiary) for an Option unless and until satisfactory arrangements (as determined by the Company) have been made by Participant with respect to the payment of any Tax-Related Items obligations of the Company and/or the Employer with respect to the Option. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Participant's wages or other cash compensation paid to Participant by the Company or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued upon exercise of the Option; or

(iv) surrendering already-owned Shares having a Fair Market Value equal to the Tax-Related Items that have been held for such period of time to avoid adverse accounting consequences.

If the obligation for Tax-Related Items is satisfied by withholding Shares, the Participant is deemed to have been issued the full number of Shares purchased for tax purposes, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of the Participant's participation in the Plan. Participant shall pay to the Company or Employer any amount of Tax-Related Items that the Company may be required to withhold as a result of Participant's participation in the Plan that cannot be satisfied by one or more of the means previously described in this paragraph 6. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

(b) Code Section 409A (Applicable Only to Participants Subject to U.S. Taxes). Under Code Section 409A, an option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "***IRS***") to be less than the Fair Market Value of a Share on the date of grant (a "***Discount Option***") may be considered "deferred compensation." A Discount Option may result in (i) income recognition by Participant prior to the exercise of the option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The Discount Option may also result in additional state income, penalty and interest charges to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the Date of Grant in a later examination or that the Option is otherwise exempt from the provisions of Code Section 409A. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a

Share on the date of grant or that the Option is otherwise subject to Code Section 409A, Participant will be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE EMPLOYER AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS CONVERSION AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE (SUBJECT TO APPLICABLE LOCAL LAWS).

9. Nature of Grant. In accepting the Option, Participant acknowledges 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;

(b) the grant of the Option is voluntary and occasional and does not Create any contractual or other right to receive future grants of Options, or benefits in lieu of Options even if Options have been granted repeatedly in the past;

(c) all decisions with respect to future awards of Options, if any, will be at the sole discretion of the Company;

(d) Participant's participation in the Plan is voluntary;

(e) the Option and the Shares subject to the Option are an extraordinary items that do not constitute regular compensation for services rendered to the Company or the Employer, and that are outside the scope of Participant's employment contract, if any;

(f) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(g) the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any

severance, resignation, termination, redundancy, dismissal, or end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty; further, if Participant exercises the Option and obtains Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;

(i) Participant also understands that neither the Company, nor any affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder);

(j) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of employment by the Employer (for any reason whatsoever and whether or not in breach of local labor laws), and Participant irrevocably releases the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim; and

(k) the Option and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

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

11. ***Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Conversion Award Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

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

the implementation, administration and management of the Plan, that these recipients may be located in the United States, Participant's country (if different than the United States), or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country.

For Participants located in the European Union, the following paragraph applies: Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares received upon exercise of the Option. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, without cost, by contacting in writing Participant's local human resources representative. Participant understands that refusal or withdrawal of consent may affect Participant's ability to participate in the Plan or to realize benefits from the Option. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. Address for Notices. Any notice to be given to the Company under the terms of this Conversion Award Agreement will be addressed to the Company, in care of its General Counsel at Shutterstock, Inc., 60 Broad Street, 30th Floor, New York, NY 10004, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Conversion Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state, federal or foreign law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to

Participant on the date the Option is exercised with respect to such Exercised Shares. The Company shall not be obligated to issue any Shares pursuant to this Option at any time if the issuance of Shares, or the exercise of an Option by Participant, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country.

16. Lock-Up Agreement. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing such offering of the Company's securities, Optionee hereby agrees not to offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section.

If the underwriters release or waive any of the foregoing restrictions in connection with a transfer of shares of Common Stock, the underwriters shall notify the Company at least three business days before the effective date of any such release or waiver. Further, the Company will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the underwriters shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (x) the release or waiver is effected solely to permit a transfer not for consideration and (y) the transferee has agreed in writing to be bound by the same terms of the lock-up provisions applicable in general to the extent, and for the duration, that such lock-up provision remain in effect at the time of the transfer.

17. Plan Governs. This Conversion Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Conversion Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Conversion Award Agreement will have the meaning set forth in the Plan.

18. Administrator Authority. The Administrator will have the power to interpret the Plan and this Conversion Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by

the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Conversion Award Agreement.

19. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Options awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. Language. If Participant has received this Conversion Award Agreement, including appendices, or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant understands that the laws of the country in which he or she is resident at the time of grant, vesting, and/or exercise of this Option or the holding or disposition of Shares (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option or may subject Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to this Option or the Shares. Notwithstanding any provision herein, this Option and any Shares shall be subject to any special terms and conditions or disclosures as set forth in any addendum for Participant's country (the "Country-Specific Addendum," which forms part this Conversion Award Agreement).

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Conversion Award Agreement.

23. Agreement Severable. In the event that any provision in this Conversion Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Conversion Award Agreement.

24. Modifications to the Agreement. This Conversion Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Conversion Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Conversion Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Conversion Award Agreement, the Company reserves the right to revise this Conversion Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Option.

25. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

26. Governing Law. This Conversion Award Agreement will be governed by the laws of the State of New York, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Conversion Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, and agree that such litigation will be conducted in the courts of the County of New York, New York, or the federal courts for the United States for the Southern District of New York, and no other courts, where this Option is made and/or to be performed.

* * * * * * * * * * *

EXHIBIT B

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Shutterstock, Inc.
60 Broad Street, 30th Floor
New York, NY 10004

1. Exercise of Option. Effective as of today, , , the undersigned ("***Purchaser***") hereby elects to purchase shares (the "***Shares***") of the Common Stock of Shutterstock, Inc. (the "***Company***") under and pursuant to the 2012 Omnibus Equity Incentive Plan (the "***Plan***") and the Conversion Stock Option Award Agreement dated (the "***Conversion Award Agreement***"). The purchase price for the Shares will be $, as required by the Conversion Award Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any required tax withholding to be paid in connection with the exercise of the Option.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Conversion Award Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

5. Limitations on Transfer. In addition to any other limitation on transfer created by Applicable Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and Applicable Laws.

(a) Right of First Refusal. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "***Holder***") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5(a) (the "***Right of First Refusal***").

(i) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "***Notice***") stating: (1) the Holder's bona fide intention to sell or otherwise transfer such Shares; (2) the name of each proposed purchaser or other transferee ("***Proposed Transferee***"); (3) the number of Shares to be transferred to each Proposed Transferee; and (4) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for Shares (the "***Purchase Price***"). The Holder shall offer the Shares at the Purchase Price and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Purchase Price. If the Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(iii) Payment. Payment of the Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within sixty (60) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(iv) Holder's Right to Transfer. If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5(a), then the Holder may sell or otherwise transfer any unpurchased Shares to that Proposed Transferee at the Purchase Price or at a higher price, provided that such sale or other transfer is consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5(a) notwithstanding, the transfer of any or all of the Shares during Holder's lifetime or on Holder's death by will or intestacy to Holder's Immediate Family or to a trust for the benefit of Holder's Immediate Family shall be exempt from the provisions of this Section 5(a). "***Immediate Family***" as used herein shall mean spouse, father, mother, brother or sister, child, stepchild, grandchild, grandparent, and shall include adopting relationships. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(b) Company's Right to Purchase upon Involuntary Transfer. In the event of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 5(a)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase any or all of the Shares transferred at the Fair Market Value of the Shares on the date of transfer (as determined by the Company). Upon such a transfer, the Holder transferring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice from the Holder.

(c) Assignment. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(d) Restrictions Binding on Transferees. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement and the terms of the Option Agreement, including, without limitation, Section 16 of the Option Agreement. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(e) Termination of Rights. The Right of First Refusal granted the Company by Section 5(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 5(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities Exchange Commission under the Securities Act. Upon termination of such transfer restrictions, the Company will remove any stop-transfer notices referred to in Section 7(b) below and related to the restrictions in this Section 3 and, if certificates are issued, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) below and delivered to Holder.

6. Investment and Taxation Representations. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption

from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Any certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE HOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) Stop-Transfer Notices. Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

9. Entire Agreement; Governing Law. The Plan and Conversion Award Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Conversion Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of New York.

* * * * * * * * * * *

Submitted by:	Accepted by:
PURCHASER:	SHUTTERSTOCK, INC

Signature

By:

Print Name

Name

Residence Address:

Title

Date Received

SHUTTERSTOCK, INC.

2012 OMNIBUS EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Shutterstock, Inc. 2012 Omnibus Equity Incentive Plan (the "***Plan***") will have the same defined meanings in this Restricted Stock Unit Award Agreement (the "***Award Agreement***").

I. NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant Name:

Address:

You have been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number

Date of Grant

Vesting Commencement Date

Number of Restricted Stock Units

Vesting Schedule:

Subject to Section 3 of the Award Agreement and any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Unit will vest in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

In the event Participant ceases to be a Service Provider (or gives or is given notice of such termination) for any or no reason before Participant vests in the Restricted Stock Unit, the Restricted Stock Unit and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Shutterstock, Inc. (the "***Company***") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant (including any country-specific addendum thereto), attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon

any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:

SHUTTERSTOCK, INC.

Signature

By

Print Name

Title

Residence Address:

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant. The Company hereby grants to the individual named in the Notice of Grant attached as Part I of this Award Agreement (the "***Participant***") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her estate) in whole Shares, subject to Participant satisfying any applicable tax withholding or other obligations as set forth in Section 7. Subject to the provisions of Section 4, such vested Restricted Stock Units will be paid in Shares as soon as practicable after vesting, but in each such case within the period ending no later than the date that is two and one-half (2½) months from the end of the Company's tax year that includes the vesting date.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs. Service Provider status will end on the day that notice of termination is provided (whether by the Company or Parent or Subsidiary for any reason or by Participant upon resignation) and will not be extended by any notice period that may be required contractually or under applicable local law. Notwithstanding the foregoing, the Administrator (or any delegate) shall have the sole discretion to determine when Participant is no longer providing active service for purposes of Service Provider status and participation in the Plan.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

Notwithstanding anything in the Plan or this Award Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death**,** and if (x) Participant is a "specified

employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to the Participant's estate as soon as practicable following his or her death. It is the intent of this Award Agreement to comply with the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, the balance of the Restricted Stock Units that have not vested as of the time notice is provided (whether by Participant or the Company or Parent or Subsidiary) of Participant's termination as a Service Provider for any or no reason and Participant's right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Regardless of any action the Company or Participant's employer (the "***Employer***") takes with respect to any or all applicable national, local, or other tax or social contribution, withholding, required deductions, or other payments, if any, that arise upon the grant or vesting of the Restricted Stock Units or the holding or subsequent sale of Shares, and the receipt of dividends, if any ("***Tax-Related Items***"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including grant or vesting, the subsequent sale of Shares acquired under the Plan, and the receipt of dividends, if any; and (b) does not commit to and is under no obligation to structure the terms of the Restricted Stock Units or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items, or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Notwithstanding any contrary provision of this

Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of any Tax-Related Items which the Company determines must be withheld with respect to such Shares.

The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax-Related Items, in whole or in part (without limitation) by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount required to be withheld, (c) delivering to the Company already vested and owned Shares having a Fair Market Value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required Tax-Related Items hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service or Grants. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant also acknowledges and agrees that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (b) the grant of Restricted Stock Units is voluntary and occasional and does not Create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards of Restricted Stock Units, if any, will be at the sole discretion of the Company; (d) Participant's participation in the Plan is voluntary; (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are extraordinary items that do not constitute regular compensation for services rendered to the Company or the Employer, and that are outside the scope of Participant's employment contract, if any; (f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation; (g) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, or end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer.

10. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its General Counsel at Shutterstock, Inc., 60 Broad Street, 30th Floor, New York, NY 10004, or at such other address as the Company may hereafter designate in writing.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

13. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities

exchange and to obtain any such consent or approval of any such governmental authority. The Company shall not be obligated to issue any Shares pursuant to the Restricted Stock Units at any time if the issuance of Shares violates or is not in compliance with any laws, rules or regulations of the United States or any state or country.

Furthermore, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Furthermore, Participant understands that the laws of the country in which he or she is resident at the time of grant or vesting of the Restricted Stock Units or the holding or disposition of Shares (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent the issuance of Shares or may subject Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to the Restricted Stock Units or the Shares. Notwithstanding any provision herein, the Restricted Stock Units and any Shares shall be subject to any special terms and conditions or disclosures as set forth in any addendum for Participant's country (the "Country-Specific Addendum," which forms part this Award Agreement).

14. [Lock-Up Agreement. In connection with the initial public offering of the Company's securities, Participant hereby agrees not to offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company and the managing underwriters for such offering for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Participant hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section.

If the underwriters release or waive any of the foregoing restrictions in connection with a transfer of shares of Common Stock, the underwriters shall notify the Company at least three business days before the effective date of any such release or waiver. Further, the Company will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the underwriters shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (x) the release or waiver is effected solely to permit a transfer not for consideration and (y) the transferee has agreed in writing to be bound by the same terms of the lock-up provisions applicable in general to the extent, and for the duration, that such lock-up provision remain in effect at the time of the transfer.] ***[NOTE: ONLY INCLUDE FOR AWARDS GRANTED PRIOR TO THE END OF THE LOCK-UP PERIOD.]***

15. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

16. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

17. Electronic Delivery and Language. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company. If Participant has received this Award Agreement, including appendices, or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

18. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

19. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

20. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

21. Data Privacy. ***Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that the Company and its affiliates may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any affiliate, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Personal Data"). Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United***

States, Participant's country (if different than the United States), or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country.

For Participants located in the European Union, the following paragraph applies: Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares received. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, without cost, by contacting in writing Participant's local human resources representative. Participant understands that refusal or withdrawal of consent may affect Participant's ability to participate in the Plan or to realize benefits from the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

22. Foreign Exchange Fluctuations and Restrictions. Participant understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease. Participant also understands that neither the Company, nor any affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Restricted Stock Units or Shares received (or the calculation of income or Tax-Related Items thereunder). Participant understands and agrees that any cross-border remittance made to transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require the Participant to provide such entity with certain information regarding the transaction.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Governing Law. This Award Agreement will be governed by the laws of the State of New York, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, and agree that such litigation will be conducted in the courts of the County of New York, New York, or the federal courts for the United States for the Southern District of New York, and no other courts.

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EMPLOYMENT AGREEMENT

This Employment Agreement (the "***Agreement***") is made and entered into by and between Jonathan Oringer ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the date set forth by the signature of the Executive below (the "***Effective Date***").

RECITALS

WHEREAS, Executive is currently employed by the Company and Executive and the Company desire to memorialize the go-forward terms of the employment relationship.

NOW THEREFORE, in consideration for Executive's continued employment with the Company and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Duties and Scope of Employment.**

(a) **At-Will Employment**. Following the Effective Date, Executive will continue to be employed by the Company pursuant to the terms set forth in this Agreement. Executive's employment with the Company is for no specified period and constitutes "at will" employment. As a result, Executive is free to terminate his employment relationship at any time, with or without advance notice, and for any reason or for no reason. Similarly, the Company is free to terminate its employment relationship with Executive at any time, with or without advance notice, and with or without cause. Furthermore, although terms and conditions of Executive's employment relationship with the Company may change over time, nothing shall change the at-will employment relationship between Executive and the Company.

(b) **Position and Responsibilities.** For the term of Executive's employment under this Agreement ("***Employment***" or the "***Employment Period***"), the Company agrees to employ Executive in the position of Chief Executive Officer. Executive will report to the Company's Board of Directors (the "***Board***"), or to such other person as the Company subsequently may determine, and Executive will be working out of the Company's office in New York City. Executive will perform the duties and have the responsibilities and authority customarily performed and held by an employee in Executive's position or as otherwise may be assigned or delegated to Executive by the Board.

(c) **Obligations to the Company.** During the Employment Period, Executive shall perform Executive's duties faithfully and to the best of Executive's ability and will devote Executive's full business efforts and time to the Company. During the Employment Period, without the prior written approval of the Board, Executive shall not render services in any capacity to any other person or entity and shall not act as a sole proprietor or partner of any other person or entity or own more than five percent (5%) of the stock of any other corporation. Notwithstanding the foregoing, Executive may serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements, teach at educational institutions, or manage personal investments without advance written and on corporate boards or committees with advance written consent of the Board (as defined below); provided that such activities do not individually or in the aggregate interfere with the performance of Executive's duties under this

Agreement or create a potential business or fiduciary conflict. Executive shall comply with the Company's policies and rules, as they may be in effect from time to time during Executive's Employment.

(d) **No Conflicting Obligations.** Executive represents and warrants to the Company that Executive is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Executive's obligations under this Agreement. In connection with Executive's Employment, Executive shall not use or disclose any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and Executive's Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that Executive has returned all property and confidential information belonging to any prior employer.

2. **Cash and Incentive Compensation.**

(a) **Base Salary.** Executive shall continue to be paid, as compensation for Executive's services, a base salary at a gross annual rate of $250,000, less all required tax withholdings and other applicable deductions, in accordance with the Company's standard payroll procedures. The annual compensation specified in this subsection (a), together with any modifications in such compensation that the Company may make from time to time, is referred to in this Agreement as the "***Base Salary***." Executive's Base Salary will be subject to review and adjustments that will be made based upon the Company's normal performance review practices. Effective as of the date of any change to Executive's Base Salary, the Base Salary as so changed shall be considered the new Base Salary for all purposes of this Agreement.

(b) **Cash Incentive Bonus**. Executive is not currently eligible to be considered for an annual cash incentive bonus (a "***Cash Bonus***") during the term of Executive's Employment. The Company's Board of Directors (the "***Board***") or any Compensation Committee of the Board (the "***Committee***"), as applicable, may, in its sole discretion, determine that Executive will be eligible to receive a Cash Bonus in the future in an amount and subject to such terms and conditions (including, but not limited to, the establishment of objective or subjective criteria that must be achieved for Executive to earn a Cash Bonus) as determined solely in the discretion of the Board or the Committee, as applicable.

3. **Paid Time Off and Employee Benefits.** During the Employment Period, Executive shall be eligible to accrue up to 21 days of paid time off ("***PTO***") per calendar year, in accordance with the Company's PTO policy, as it may be amended from time to time. During the Employment Period, Executive shall be eligible to participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such employee benefit plan. The Company reserves the right to cancel or change the employee benefit plans and programs it offers to its employees at any time.

4. **Business Expenses.** The Company will reimburse Executive for necessary and reasonable business expenses incurred in connection with Executive's duties hereunder upon

presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. **Rights Upon Termination.** Except as expressly provided in the Severance and Change in Control Agreement between Executive and the Company (the "***CIC Severance Agreement***"), upon the termination of Employment, Executive shall only be entitled to the accrued but unpaid base salary compensation, PTO and other benefits earned and the reimbursements described in this Agreement or under any Company-provided plans, policies, and arrangements for the period preceding the effective date of the termination of Employment.

6. **Successors.**

(a) **Company's Successors.** This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "***Company***" shall include any successor to the Company's business or assets that become bound by this Agreement.

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

7. **Miscellaneous Provisions.**

(a) **Indemnification.** The Company shall indemnify Executive to the maximum extent permitted by applicable law and the Company's Bylaws with respect to Executive's service and Executive shall also be covered under a directors and officers liability insurance policy paid for by the Company to the extent that the Company maintains such a liability insurance policy now or in the future.

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

(c) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In Executive's case, mailed notices shall be addressed to Executive at the home address that Executive most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

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

(e) **Whole Agreement.** This Agreement supersedes the offer letter dated June 7, 2007. No other agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement, the CIC Severance Agreement and the Non-Disclosure Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(f) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(g) **Choice of Law and Severability.** This Agreement shall be interpreted in accordance with the laws of the State of New York without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "***Law***") then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(h) **No Assignment.** This Agreement and all of your rights and obligations hereunder are personal to you and may not be transferred or assigned by you at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(i) **Acknowledgment**. You acknowledge that you have the opportunity to discuss this matter with and obtain advice from your personal attorney, have had sufficient time to, and have carefully read and fully understand all the provisions of this Agreement, and are knowingly and voluntarily entering into this Agreement.

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

[Signature Page Follows]

After you've had an opportunity to review this Agreement, please feel free to contact me if you have any questions or comments. To indicate your acceptance of this Agreement, please sign and date this letter in the space provided below and return it to the Company.

Very truly yours,

SHUTTERSTOCK IMAGES LLC

By: /s/ Thilo Semmelbauer
(Signature)

Name: Thilo Semmelbauer

Title: President and Chief Operating Officer

ACCEPTED AND AGREED:

JONATHAN ORINGER

/s/ Jonathan Oringer
(Signature)

September 24, 2012
Date

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (the "***Agreement***") is made and entered into by and between Jonathan Oringer ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the latest date set forth by the signatures of the parties hereto below (the "***Effective Date***").

RECITALS

1. The Board of Directors of the Company (the "***Board***") recognizes that it is possible that the Company could terminate Executive's employment with the Company and from time to time the Company may consider the possibility of an acquisition by another company or other change in control transaction. The Board also recognizes that such considerations can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such a termination of employment or the occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment with the Company and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment and with certain additional benefits following a Change in Control. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

4. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

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

1. Term of Agreement. This Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, including (without limitation) any termination of employment not set forth in Section 3, Executive will not be entitled to any payments, benefits,

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damages, awards or compensation other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses or pursuant to written agreements with the Company, including equity award agreements.

3. Severance Benefits.

(a) Termination without Cause and not in Connection with a Change in Control. If the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death at any time other than during the twenty-four (24)-month period immediately following a Change in Control, then, subject to Section 4, Executive will receive the following severance benefits from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid paid time off ("***PTO***"), expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive severance in an amount equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid on the following schedule in accordance with the Company's regular payroll procedures: (x) 1/3 as soon as practicable after the Executive's termination of employment, (y) 1/3 on the six (6) month anniversary of Executive's termination of employment, and (z) 1/3 on the one (1) year anniversary of Executive's termination of employment.

(iii) Pro-Rated Bonus Payment. Executive will receive a lump-sum severance payment equal to one hundred percent (100%) of Executive's target bonus as in effect for the fiscal year in which Executive's termination occurs, pro-rated by multiplying such bonus amount by a fraction, the numerator of which shall be the number of days from and including the first day of such fiscal year through and including the date of Executive's termination, and the denominator of which shall be three-hundred and sixty-five (365).

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. All of Executive's unvested and outstanding equity awards that would have become vested had Executive remained in the employ of the Company for the twelve (12)-month period following Executive's termination of employment shall immediately vest and

become exercisable as of the date of Executive's termination. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change in Control. If during the twenty-four (24)-month period immediately following a Change in Control, (x) the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death, or (y) Executive resigns from such employment for Good Reason, then, subject to Section 4, Executive will receive the following severance benefits from the Company in lieu of the benefits described in Section 3(a) above:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid PTO, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive a lump sum severance payment equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures.

(iii) Target Bonus Payment. Executive will receive a lump sum severance payment equal to one hundred percent (100%) of Executive's full target bonus for the fiscal year in effect at the date of such termination of employment (or, if greater, as in effect for the fiscal year in which the Change in Control occurs), less all required tax withholdings and other applicable deductions.

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible

dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. Executive will be entitled to accelerated vesting as to one hundred percent (100%) of the then unvested portion of all of Executive's outstanding equity awards. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(c) Disability; Death. If Executive's employment with the Company is terminated due to Executive becoming Disabled or Executive's death, then Executive or Executive's estate (as the case may be) will (i) receive the earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA). All payments under clauses (i) through (ii) above shall in all cases be made within thirty (30) days of Executive's termination of employment pursuant to this Section 3(c).

(d) Voluntary Resignation; Termination for Cause. If Executive voluntarily terminates Executive's employment with the Company (other than for Good Reason during the twenty-four (24) month period immediately following a Change of Control) or if the Company terminates Executive's employment with the Company for Cause, then Executive will (i) receive his or her earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with established Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA).

(e) Timing of Payments. Subject to any specific timing provisions in Section 3(a), 3(b) or 3(c) as applicable, or the provisions of Section 4, payment of the severance and benefits hereunder shall be made or commence to be made as soon as practicable following Executive's termination of employment.

(f) Exclusive Remedy. In the event of a termination of Executive's employment with the Company, the provisions of this Section 3 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 (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable

expenses). Executive will be entitled to no other severance, benefits, compensation or other payments or rights upon a termination of employment, including, without limitation, any severance payments and/or benefits provided in the Employment Agreement, other than those benefits expressly set forth in Section 3 of this Agreement or pursuant to written equity award agreements with the Company.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60^{th}) day following Executive's termination of employment (the "***Release Deadline***"), and if not, Executive will forfeit any right to severance payments or benefits under this Agreement. To become effective, the Release must be executed by Executive and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Executive having revoked the Release. In addition, in no event will severance payments or benefits be paid or provided until the Release actually becomes effective. If the termination of employment occurs at a time during the calendar year where the Release Deadline could occur in the calendar year following the calendar year in which Executive's termination of employment occurs, then any severance payments or benefits under this Agreement that would be considered Deferred Payments (as defined in Section 4(d)(i)) will be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or such later time as required by (i) the payment schedule applicable to each payment or benefit as set forth in Section 3, (ii) the date the Release becomes effective, or (iii) Section 4(d)(ii); provided that the first payment shall include all amounts that would have been paid to Executive if payment had commenced on the date of Executive's termination of employment.

(b) Non-Solicitation, Non-Competition and Non-Disparagement. Executive agrees, to the extent permitted by applicable law, that during the period of Executive's employment and for the twelve (12)-month period immediately following the date of Executive's termination (the "***Restrictive Period***"), Executive, as a condition to receipt of severance pay and benefits under Sections 3(a) and 3(b), shall not:

(i) without the prior written consent of the Company, directly or indirectly, (x) employ or assist any other Person in employing any individual, as an employee or independent contractor (other than for the Company), or (y) induce or solicit for employment, as an employee or independent contractor, or assist any other Person in inducing or soliciting for employment (other than for the Company), as an employee or independent contractor, any individual who, in each case, is or was at any time during such Restrictive Period, or during the one (1) year period preceding the date of Executive's termination of employment, an employee or independent contractor of the Company Group;

(ii) except in the performance of his responsibilities for the Company, directly or indirectly, solicit, contact or deal with any Person that was a supplier, customer or client of the Company Group at any time during the Restrictive Period or the one (1) year period preceding the date of Executive's termination of employment for the purpose of (x) providing to, or obtaining from, such supplier, customer or client goods or services in competition with the goods or services provided to or by the Company Group or its successors or assigns, (y) inducing or encouraging them to acquire or obtain from anyone other than the Company Group, goods or services in competition with goods or services provided by the Company Group or (z) inducing or encouraging them to provide goods or services in competition with the goods or services provided by the Company Group, to any other Person or entity;

(iii) (x) engage in the Business within the Territory (as defined below); (y) engage or assist any Person (whether in a financial, managerial, employment, advisory or other capacity or as a stockholder or owner, or by the provision of information) to engage in a business or business activities similar to or in competition with the Business within the Territory; or (z) own any interest in or organize a corporation, partnership or other business or organization which engages in a business or business activities similar to or in competition with the Business within the Territory. The restrictions contained in this Section 4(b)(iii) shall not apply to ownership by Executive of less than a five percent (5%) interest in any publicly-traded company, provided that Executive does not otherwise breach the terms of this Section 4 or the Employment Agreement, and further provided that Executive discloses such ownership interest to the Company simultaneously with the execution hereof or within five (5) days of acquiring same, as applicable; or

(iv) engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group.

In the event Executive violates the provisions of this Section 4(b), all severance pay and other benefits to which Executive may otherwise be entitled pursuant to Section 3(a) or 3(b) shall cease immediately. The covenant contained in this Section 4(b) hereof shall be construed as a series of separate covenants, one for each country, province, state, city or other political subdivision in which the Company currently engages in its business or, during the term of this Agreement, becomes engaged in its business. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this Section 4(b). If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 4(b) are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, permitted by applicable law.

(c) Confidential Information.

(i) Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business, including, without limitation, information pertaining to the Company Group's operations, customer and supplier lists,

pricing information, cost structure, trade secrets, intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "***Confidential Information***"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (x) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (1) Executive (or by another Person at the direction of Executive) or (2) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (y) to the extent that such information or material is filed with any Governmental Authority on a nonconfidential basis; or (z) to the extent that such information or material is subject to a subpoena, summons or other legal process; provided, however, that Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests and reasonably cooperate with the

Company in the pursuant of any such legally available steps, and assist the Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse Executive for any reasonable expenses incurred in providing such assistance and shall pay Executive a reasonable consulting fee for such assistance if Executive is no longer employed by the Company).

(ii) Executive's receipt of any payments or benefits under Section 3 will be subject to Executive agreeing to keep secret and retain in strictest confidence all Confidential Information during his period of employment with the Company and at any time thereafter. Specifically, Executive shall not, without the prior written consent of the Company, directly or indirectly: (x) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (y) reproduce or recreate any Confidential Information. Notwithstanding any other term in this Agreement, Executive may reproduce, recreate and disclose the Company's Confidential Information, and proprietary information and trade secrets in the good faith performance of his job responsibilities. Upon the request by the Company, Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof.

(d) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (together, the "***Deferred Payments***") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. And for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A

pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(iii) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended constitute to Deferred Payments for purposes of clause (i) above

(iv) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit is not intended to constitute Deferred Payments for purposes of clause (i) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations.

(v) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (1) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Executive, (2) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (3) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(vi) Any tax gross-up that Executive is entitled to receive under this Agreement or otherwise shall be paid to Executive no later than December 31 of the calendar year following the calendar year in which Executive remits the related taxes.

(vii) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(viii) The payments and benefits provided under Sections 3(a) and 3(b) are intended to be exempt from or comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

5. Limitation on Payments.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 5(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee

welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(b) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by an independent firm (the "***Firm***"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 5. The Company will bear all

costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5.

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

(a) Business. "***Business***" means (i) the business relating to the collection, sale, distribution and marketing of stock photography and/or stock video footage and (ii) any additional business engaged in by the Company at the time of Executive's termination of employment pursuant to which the Company derives at least two percent (2%) of its annual gross revenues as of such date.

(b) Cause. "***Cause***" means:

(i) Executive's gross negligence or willful misconduct in the performance of his or her duties and responsibilities to the Company or Executive's violation of any written Company policy;

(ii) Executive's commission of any act of fraud, theft, embezzlement, financial dishonesty or any other willful misconduct that has caused or is reasonably expected to result in injury to the Company;

(iii) Executive's conviction of, or pleading guilty or *nolo contendre* to, any felony or a lesser crime involving dishonesty or moral turpitude;

(iv) Executive's alcohol abuse or other substance abuse;

(v) Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of his or her relationship with the Company; or

(vi) Executive's material breach of any of his or her obligations under any written agreement or covenant with the Company.

(c) Change in Control. "***Change in Control***" means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in

substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 6(c)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 6(c)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Company's Board of the Directors (the "***Board***") is replaced during any twelve (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, if any person (as defined below in Section 6(c)(iv)) 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

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of clauses (iii) and (iv) of this Section 6(c), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or 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 transactions. For the avoidance of doubt, an initial public offering of the common stock of the Company shall not constitute a Change in Control for purposes of this Agreement.

(d) Company Group. "***Company Group***" means the Company and its direct and indirect subsidiaries.

(e) Code. "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) Disability. "***Disability***" or "***Disabled***" means that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or

mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(g) Good Reason. "***Good Reason***" means Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence, without Executive's consent, of one or more of the following:

(i) A material reduction of Executive's duties, authority or responsibilities, relative to Executive's duties, authority or responsibilities in effect immediately prior to such reduction; provided, however, that not being named the Chief Executive Officer of the acquiring corporation following a Change in Control of the Company will not constitute Good Reason;

(ii) A material reduction in Executive's base compensation (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in base compensation;

(iii) A material change in the geographic location of Executive's primary work facility or location; provided, that a relocation of less than thirty-five (35) miles from Executive's then-present work location will not be considered a material change in geographic location; or

(iv) A material breach by the Company of a material provision of this Agreement.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice during which such condition must not have been cured.

(h) Governmental Authority. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(i) Person. "***Person***" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority

(j) Section 409A. "***Section 409A***" means Code Section 409A, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(k) Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding Executive's taxable year of his or her separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal

Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Executive's separation from service occurred.

(l) Territory. "***Territory***" means the United States of America and other jurisdictions where the Company transacts business as of the date of Executive's termination of employment.

7. Successors.

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

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

8. Arbitration.

(a) Arbitration. In consideration of Executive's employment with the Company, its promise to arbitrate all employment-related disputes, and Executive's receipt of the compensation, pay raises and other benefits paid to Executive by the Company, at present and in the future, Executive agrees that any and all controversies, claims, or disputes with anyone (including the Company and any employee, officer, director, shareholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive's employment with the Company or termination thereof, including any breach of this Agreement, will be subject to binding arbitration under the Article 75 of the Civil Practice Law and Rules of the NY Code (the "***Act***"), and pursuant to New York law. The Federal Arbitration Act shall also apply with full force and effect, notwithstanding the application of procedural rules set forth under the Act.

(b) Dispute Resolution. **Disputes that Executive agrees to arbitrate, and thereby agrees to waive any right to a trial by jury, include any statutory claims under local, state, or federal law**, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes Oxley Act, the Worker Adjustment and Retraining Notification Act, the New York State Human Rights Law, New York Equal Rights Law, New York Whistleblower Protection Law, New York Family Leave Law, New York Equal Pay Law, the New York City Human Rights Law,, claims of harassment, discrimination, and

wrongful termination, and any statutory or common law claims. Executive further understands that this agreement to arbitrate also applies to any disputes that the Company may have with Executive.

(c) Procedure. Executive agrees that any arbitration will be administered by the Judicial Arbitration & Mediation Services, Inc. ("***JAMS***"), pursuant to its Employment Arbitration Rules & Procedures (the "***JAMS Rules***"). The arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The arbitrator shall have the power to award any remedies available under applicable law, and the arbitrator shall award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the administrator or JAMS, and all arbitrator's fees, except that Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law. Executive agrees that the arbitrator shall administer and conduct any arbitration in accordance with New York law, and that the arbitrator shall apply substantive and procedural New York law to any dispute or claim, without reference to the rules of conflict of law. To the extent that the JAMS Rules conflict with New York law, New York law shall take precedence. The decision of the arbitrator shall be in writing. Any arbitration under this Agreement shall be conducted in New York County, New York.

(d) Remedy. Except as provided by the Act, arbitration shall be the sole, exclusive, and final remedy for any dispute between Executive and the Company. **Accordingly, except as provided by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration**. Notwithstanding, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator will not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

(e) Administrative Relief. Executive is not prohibited from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. However, Executive may not pursue court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Executive acknowledges and agrees that Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that ***EXECUTIVE IS WAIVING EXECUTIVE'S RIGHT TO A JURY TRIAL***. Finally, Executive agrees that Executive has been provided an opportunity to seek the advice of an attorney of Executive's choice before signing this Agreement.

9. Confidential Information. Executive agrees to continue to comply with and be bound by the Non-Disclosure Agreement (the "***Non-Disclosure Agreement***") entered into by and between Executive and the Company.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject to any applicable cure period. The failure by Executive or the Company to include in the notice any fact or circumstance which contributes to a showing of Good Reason or Cause, as applicable, will not waive any right of Executive or the Company, as applicable, hereunder or preclude Executive or the Company, as applicable, from asserting such fact or circumstance in enforcing his or her or its rights hereunder, as applicable.

11. Miscellaneous Provisions.

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

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

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

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior or contemporaneous representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. Executive acknowledges and agrees

that this Agreement encompasses all the rights of Executive to any severance payments and/or benefits based on the termination of Executive's employment and Executive hereby agrees that he or she has no such rights except as stated herein. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. This Agreement does not supersede Executive's Employment Agreement, except with respect to the subject matter hereof, or the Non-Disclosure Agreement.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of New York without giving effect to provisions governing the choice of law.

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

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes, as determined in the Company's reasonable judgment.

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

[Signature Page to Follow]

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

COMPANY

SHUTTERSTOCK IMAGES LLC

By: /s/ Thilo Semmelbauer

Title: President and Chief Operating Officer

Date: September 24, 2012

EXECUTIVE

JONATHAN ORINGER

By: /s/ Jonathan Oringer

Date: September 24, 2012

EMPLOYMENT AGREEMENT dated as of March 21, 2010 (this "Agreement"), between **SHUTTERSTOCK IMAGES LLC**, a New York limited liability company (the "Company"), and **THILO SEMMELBAUER** (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive, and the Executive wishes to be employed by the Company as President of the Company on the terms and conditions hereinafter contained; and

WHEREAS, in consideration for the Executive's employment with the Company, the Executive desires to agree to the noncompetition, nonsolicitation, cooperation, confidentiality, and other provisions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment.

The Company shall employ the Executive, and the Executive accepts employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on April 5, 2010 (the "Effective Date") and ending only as provided in Section 4 (the "Employment Period").

Section 2. Position and Duties.

(a) During the Employment Period, the Executive shall serve as the President of the Company and shall have full responsibility for running the Company's day-to-day operations. All Company employees shall report to Executive while Executive is employed by the Company. Executive shall report only to the Board of Managers of the Company (the "Board") and to the Chief Executive Officer so long as Jon Oringer is serving as such.

(b) While serving as President of the Company, the Executive shall devote his best efforts and substantially all of his active business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and the entities owned and controlled directly or indirectly by the Company. The Executive shall perform his duties and responsibilities to the best of his abilities in a diligent and professional manner. During the Employment Period, the Executive shall not engage in any business activity which, in the reasonable judgment of the Board, conflicts with the duties of the Executive hereunder, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

(c) The foregoing restrictions shall not limit or prohibit the Executive from engaging in any passive investment, inactive business ventures and community, charitable, teaching, lecturing, religious and social activities not interfering with the Executive's performance and obligations hereunder. The foregoing restrictions shall also not limit or prohibit

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Executive from serving on one other company's board of directors or advisory board, providing the other company does not compete with the Company, and further providing that the Company's Board has permitted Executive to serve, which permission shall not be unreasonably withheld.

Section 3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, the Executive's base salary shall be $300,000 per annum, or a higher amount per annum if the Board, in its sole discretion, should increase Executive's base salary (the "Base Salary"). The Base Salary shall be payable in regular installments in accordance with the Company's general payroll practices and subject to withholding and other payroll taxes. In addition, during the Employment Period and subject to the terms and conditions of the applicable plans and programs, the Executive shall be eligible to participate in all employee benefit programs (including, healthcare and at least 18 days of paid time off) for which senior executives of the Company and its subsidiaries are generally eligible. The Board shall review Executive's Base Salary annually and shall increase Executive's Base Salary if the Board, in its sole discretion, determines that an increase is warranted.

(b) Discretionary Bonus. In addition to the Base Salary, each calendar year during the Employment Period, the Executive shall receive an annual bonus equal to (i) $200,000 (the "Initial Bonus") based upon achievement of 100% of the personal and Company performance criteria established by the Board, after good faith consultation with Executive, and (ii) $100,000 ("Overachievement Bonus") in addition to the Base Salary and the Initial Bonus based upon the attainment of an overachievement plan based on the personal and Company performance criteria established by the Board, after good faith consultation with Executive. The performance criteria for Executive's 2010 Initial Bonus and Overachievement Bonus shall be established within 90 days of the Effective Date, and for each bonus year thereafter, the performance criteria for that year's Initial Bonus and Overachievement Bonus shall be established by March 1 of the applicable year. The Initial Bonus and Overachievement Bonus shall be payable by March 1 of the year following the year of the bonus. Executive's 2010 Bonus shall be prorated for days employed in 2010. For 2010, bonuses shall be prorated based upon the number of days of employment during such year.

Notwithstanding any other term in this Agreement, payment of 25% of the prorated Initial Bonus shall be guaranteed for 2010.

(c) Expenses. During, the Employment Period, the Company shall reimburse the Executive for all reasonable expenses incurred by him in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses (and in each case that have been approved by the Board and/or the CEO), subject in all instances to the Company's requirements with respect to reporting, documentation and approval of such expenses.

(d) Compensatory Interest. Promptly following the Effective Date, the Executive shall be granted a Compensatory Interest (as such term is defined in Section 12.5 of the Company's Limited Liability Company Agreement dated as of June 7, 2007 (the "Operating Agreement") of the Company representing a four percent (4%) Membership Interest of the

Company on a fully diluted as converted basis as of the date hereof (the "Total Unit Grant"), in accordance with the terms set forth below which shall be incorporated into a definitive Profits Interest Grant and Repurchase Agreement (a "Grant Letter") in a form consistent with the document attached as Exhibit 1:

(i) *Vesting*: A portion of the Compensatory Interest representing 1/6th of the Total Unit Grant (the "Initial Tranche") shall vest, subject to the Grant Letter, upon the one (1) year anniversary of the Effective Date. Following the vesting of the Initial Tranche, a portion of the Compensatory Interest representing 5/6ths of the Total Unit Grant shall vest ratably on a quarterly basis (i.e., 1/20th each quarter) over the course of the five (5) year period following the one (1) year anniversary of the Effective Date. As a condition to the vesting of any such Compensatory Interest, the Executive must be employed by the Company pursuant to this Agreement on the date any portion of such Compensatory Interest is scheduled to vest.

(ii) *Accelerated Vesting*: Upon any Change in Control (as defined in the Operating Agreement) of the Company, 50% of any portion of the Compensatory Interest which is unvested as of the date of such Change in Control shall immediately accelerate and become vested, and the remainder of the unvested portion of the Compensatory Interest shall vest in accordance with the vesting provisions set forth in Section 3(d)(i) above.

(iii) *Termination*:

(A) In the event that the Executive is terminated for Cause (as defined below), the entire Compensatory Interest (whether or not vested) shall be forfeited.

(B) In the event that the Executive's employment with the Company is terminated for any reason other than those specified in Section 3(d)(iii)(A) above, (I) the portion of the Compensatory Interest which is not vested as of such date of termination or resignation shall never vest and (II) the Company in its absolute discretion, shall have the right as described in the Grant Letter, but not the obligation to repurchase any vested portion of the Compensatory Interest for the fair market value of such vested portion of the Compensatory Interest as of the date of such termination.

(iv) *Participation*: Upon a liquidation of the Company, the Compensatory Interest shall have the right to participate (on a *pro rata* basis in accordance with total outstanding Membership Interests of the Company at the time of such liquidation) with respect to all proceeds received in connection with such liquidation which are in excess of $300,000,000. The Compensatory Interest shall not receive any allocations of Net Profits or Net Losses or any Distributions of Cash Flow (all as defined in the Operating Agreement), other than in connection with the liquidation and dissolution of the Company.

(v) *Transferability*:

(A) During such time as the Executive is employed pursuant to the terms of this Agreement, the vested portion of the Compensatory Interest shall be freely transferrable by the Executive (subject to all applicable securities laws) at any time following the third (3rd) anniversary of the Effective Date; provided, however, that in the event that the Executive's employment is terminated, or the Executive resigns, for any reason, the vested portion of the Compensatory Interest shall become freely transferrable by the Executive (subject to all applicable securities laws) at any time following the date of termination or resignation.

(B) Notwithstanding anything contained in Section 3(d)(v)(A), (I) the vested portion of the Compensatory Interest shall not be transferred to any competitor of the Company (as determined in the reasonable discretion of the Board) and (II) prior to the transfer of the vested portion of the Compensatory Interest by the Executive to any third party, the Company or its assignee(s) shall have a right of first refusal to purchase such vested portion of the Compensatory Interest on same terms and conditions as offered to such third party, as more fully set forth in the Grant Letter.

(vi) *Tax Gross-Up:* The Company shall gross-up Executive for all taxes, penalties and interest Executive incurs arising out of an IRS (or other government agency) determination that the Total Unit Grant has a fair market value on the date of grant of more than $0 or a determination that some or all of the terms of the Total Unit Grant or Grant Letter are not exempt from or fail to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). The Company reserves the right to amend the Total Unit Grant and Grant Letter at any time to cause the Compensatory Interest to either comply with or be exempt from Section 409A of the Code, providing that no Company amendment or action shall negatively affect any of Executive's rights.

(vii) *Executive's Put Right:* Each year after the fifth (5th) anniversary of Executive's continuous employment, the Executive shall have the right, but not the obligation, to sell up to 10% of the vested portion of his Total Unit Grant to the Company at the fair market value on the date of sale ("Put Right"), providing that the Put Right shall terminate if Executive is no longer employed by the Company. During each applicable year, Executive may exercise the Put Right once each year by giving the Company written notice after April 1 but prior to April 30 of his intent to exercise the Put Right. Fair market value shall be determined in good faith of the Board not later than May 30 following the date the Company receives the Executive's notice of exercise. If Executive objects to such valuation, the Company shall obtain an appraisal from a third-party valuation firm mutually agreed on by the Company and Executive. The determination of fair market value by the valuation firm shall control. The cost of the appraisal shall be borne by the Company; provided, however, that if the appraised value is not more than 10% greater than the value initially determined by the Board, the cost of the appraisal shall be borne by Executive.

Section 4. Term and Termination.

(a) The employment of the Executive by the Company shall commence on the Effective Date and continue thereafter until terminated by the Company or the Executive as provided herein.

(b) The Employment Period:

(i) may be terminated by the Executive at any time by written notice to the Board at least thirty (30) days prior to such termination, such termination to be effective on the date specified in such notice;

(ii) may be terminated by the Executive for Good Reason at any time by written notice to the Board at least thirty (30) days prior to such termination, such termination to be effective on the date specified in such notice;

(iii) shall terminate upon the Executive's death or Disability (as defined below) and;

(iv) may be terminated by the Company at any time for Cause or without Cause by delivering written notice to the Executive.

(c) If the Employment Period is terminated (i) by the Company without Cause or (ii) by the Executive for Good Reason, and providing that the cessation of Executive's employment is a separation from service within the meaning of United States Treasury Regulation 1.409A-1(h) ("Separation"), and the Executive executes and does not revoke a general release of claims against the Company, which release shall be negotiated in good faith with Executive and contain certain carve outs (such as a carve out for Executive's right to indemnification) within sixty (60) days after the Separation ("Deadline"), then, on the tenth (10^{th}) day after the Deadline, the Company shall pay Executive, in one lump sum, a payment equal to six months of Executive's Base Salary and the Company shall pay directly to the COBRA administrator six months of Executive's COBRA premiums, providing Executive timely elects COBRA.

(d) If the Employment Period is terminated for any reason other than by the Company without Cause or by the Executive for Good Reason, then the Executive shall only be entitled to receive his Base Salary earned through the date of termination.

(e) Except as otherwise required by law (e.g., COBRA) or as specifically provided herein, all of the Executive's rights to salary, severance, fringe benefits and bonuses hereunder (if any) accruing after the termination of the Employment Period shall cease upon termination. In the event the Executive is terminated by the Company without Cause or by the Executive for Good Reason, the sole remedy of the Executive and/or his successors, assigns, heirs, representatives and estate shall be to receive the items described in Section 4(c). In the event the Executive resigns or is terminated by the Company for any reason other than the reasons set forth in the immediately preceding sentence, the sole remedy of the Executive and/or his successors, assigns, heirs, representatives and estate shall be to receive the items described in Section 4(d).

(f) For purposes of this Agreement, "Affiliate" means, with respect to any Person, (i) who is an individual, the spouse, parent, sibling or lineal descendant of such Person, (ii) that is an entity, the officers, directors, managers, members, partners or any affiliate of the foregoing and (iii) any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person. For purposes of this definition, the terms "control," "controlling," "controlled by" and "under common control with," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(g) For purposes of this Agreement, "Cause" means only (i) Executive's willful and repeated refusal to follow a lawful direction of the Board or CEO (if the CEO is Jon Oringer), (ii) repeated acts or a material act of gross negligence or repeated acts or a material act of willful misconduct by the Executive in the performance of his duties, (iii) the commission by the Executive of any act of fraud, material theft or financial dishonesty with respect to the Company or any of its Affiliates, (iv) the Executive's conviction of, or pleading guilty or *nolo contendre* to any felony or (v) alcohol abuse or other substance abuse by the Executive, where the alcohol abuse or substance abuse materially and adversely affects Executive's ability to perform his duties. Notwithstanding the foregoing, the Company cannot terminate Executive's employment for Cause under subsections (i), (ii), or (v) above unless the Company provides Executive with notice of all of the facts which the Company contends trigger the for Cause termination and thirty (30) days to cure (if curable), and if Executive cures, Cause shall not exist.

(h) For purposes of this Agreement, "Disability" shall mean any long-term disability or incapacity which (i) renders the Executive unable to substantially perform his duties hereunder for one hundred (100) days or longer during any period of 360 consecutive days or (ii) would reasonably be expected to render the Executive unable to substantially perform his duties for one hundred (100) days or longer during any period of 360 consecutive days, in each case as determined by the Board in its good faith judgment.

(i) For purposes of this Agreement, "Good Reason" shall mean, without Executive's written consent (i) a material reduction of Executive's title, duties, responsibilities, authority and/or reporting relationship from those in effect on the Effective Date, (ii) the relocation of the principal place of business of the Company by more than forty-five (45) miles from its current location and a requirement that the Executive perform his services at the new location, (iii) the breach by the Company of any material provisions of this Agreement or any material agreement the Company and Executive enter into, (iv) any reduction in Executive's Base Salary or bonus level; (v) a failure of any successor-in-interest to the Company to assume all of the Company's obligations under this Agreement; (vi) any attempt by the Company or any successor-in-interest to the Company to cancel or otherwise invalidate Executive's Compensatory Interest or Compensatory Interest Grant in the Company without providing Executive with a reasonable substitute therefor or equivalent value; provided, however, that none of the events or conditions listed above shall constitute Good Reason unless: (A) within thirty (30) days of Executive becoming aware of the event(s) described in (i)-(vi), the Executive provides the Company written notice that Good Reason to resign exists; (B) the Company has not remedied the events described in Executive's notice within thirty (30) days of receipt of the

notice; and (C) Executive terminates his employment within fifteen (15) days following the expiration of that cure period.

(j) Effective upon termination of employment hereunder for any reason, the Executive hereby gives the Company and any applicable subsidiary and Affiliate of the Company, notice of his resignation from any and all positions as officer of the Company and its subsidiaries and Affiliates and as a manager on the Board or other similar governing body of the Company and its subsidiaries, as applicable. The Executive hereby agrees to provide prompt written confirmation to the Company of the foregoing upon his termination for any reason.

(k) The Executive's obligations under Sections 5 and 6 of this Agreement shall survive the termination of this Agreement and the termination of the Executive's employment hereunder.

Section 5. Restrictive Covenants.

(a) The Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business (as defined below), including, without limitation, information pertaining to the Company Group's (as defined below) operations, customer and supplier lists, pricing information, cost structure, trade secrets, intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "Confidential Information"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (i) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (x) the Executive or (y) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (ii) to the extent that such information or material is filed with any Governmental Authority on a non-confidential basis; or (iii) to the extent that such information or material is subject to a subpoena, summons or other legal process, provided, however, that the Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests, and assist the Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse the Executive for any reasonable expenses incurred in providing such assistance and shall pay the Executive a reasonable consulting fee for such assistance if Executive is no longer employed by the Company).

(b) The Executive agrees to keep secret and retain in strictest confidence all Confidential Information during the Employment Period and at any time thereafter. The Executive shall not, without the prior written consent of the Company, directly or indirectly: (i) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (ii) reproduce or recreate any Confidential Information.

Notwithstanding any other term in this Agreement, Executive may reproduce, recreate and disclose the Company's Confidential Information, and proprietary information and trade secrets in the good faith performance of his job responsibilities. Upon the request by the Company, the Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof.

(c) During the Restrictive Period (as defined below), the Executive shall not, without the prior written consent of the Company, directly or indirectly, (x) employ or assist any other Person in employing any individual, as an employee or independent contractor (other than for the Company), or (y) induce or solicit for employment, as an employee or independent contractor, or assist any other Person in inducing or soliciting for employment (other than for the Company), as an employee or independent contractor, any individual who, in each case, is or was at any time during such Restricted Period, or during the one (1) year period preceding the date of this Agreement, an employee or independent contractor of the Company Group.

(d) During the Restrictive Period, except in the performance of his responsibilities for the Company, the Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit, contact or deal with any Person that was a supplier, customer or client of the Company Group at any time during the Restricted Period or the one (1) year period preceding the date of this Agreement for the purpose of (i) providing to, or obtaining from, such supplier, customer or client goods or services in competition with the goods or services provided to or by the Company Group or its successors or assigns, (ii) inducing or encouraging them to acquire or obtain from anyone other than the Company Group, goods or services in competition with goods or services provided by the Company Group or (iii) inducing or encouraging them to provide goods or services in competition with the goods or services provided by the Company Group, to any other Person or entity.

(e) During the Restrictive Period, the Executive shall not (i) engage in the Business within the Territory (as defined below); (ii) engage or assist any Person (whether in a financial, managerial, employment, advisory or other capacity or as a stockholder or owner, or by the provision of information) to engage in a business or business activities similar to or in competition with the Business within the Territory; or (iii) own any interest in or organize a corporation, partnership or other business or organization which engages in a business or business activities similar to or in competition with the Business within the Territory.

(f) The Executive agrees that he will not engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group. The Company agrees that it will not engage in any conduct that is materially injurious to the reputation and interest of the Executive, including but not limited to, disparaging, inducing or encouraging others to disparage the Executive.

(g) The Executive acknowledges that his agreement to the provisions set forth in this Agreement, and, in particular, the provisions set forth in this Section 5, is consideration for the Executive's employment with the Company.

As used herein, the following terms shall have the following meanings: (i) "Business" means the business relating to the collection, sale, distribution and marketing of stock photography; (ii) "Company Group" shall mean the Company and its direct and indirect subsidiaries; (iii) "Governmental Authority" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal; (iv) "Person" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority; (v) "Restrictive Period" shall mean (A) with respect to the microstock photography business, the period commencing on the Effective Date and continuing until the third (3rd) anniversary of the termination of the Employment Period, (B) with respect to the stock photography business, the period commencing on the Effective Date and continuing until the third (3rd) anniversary of the termination of the Employment Period, and (C) with respect to the restrictions set forth in Section 5(c), the period commencing on the Effective Date and continuing until the second (2nd) anniversary of the termination of the Employment Period; and (vi) "Territory" shall mean the United States of America and other jurisdictions where the Company transacts business as of the date hereof.

Section 6. Inventions and Patents.

The Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relates to the Company's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other Person) while employed by the Company (and for the Restrictive Period if and to the extent such Work Product (as defined below) results from any work performed for the

Company, any use of the Company's premises or property or any use of the Company's Confidential Information together with all patent applications, letters patent, trademark, tradename and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as, the "Work Product")), belong in all instances to the Company or such subsidiary. The Executive will promptly disclose such Work Product to the Company and perform all actions reasonably requested by the Board and/or the CEO (whether during or after the Employment Period) to establish and confirm the Company's ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) and to provide reasonable assistance to the Company or any of its subsidiaries (whether during or after the Employment Period) in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product, providing that if Executive is no longer employed by the Company, the Company shall pay Executive a reasonable consulting fee for all services performed under this section. The Executive recognizes and agrees that the Work Product, to the extent copyrightable, constitutes works for hire under the copyright laws of the United States.

Section 7. Enforcement.

Because the Executive's services are unique and because the Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor at law or in equity, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

Section 8. Insurance.

The Company may, for its own benefit, maintain "keyman" life and disability insurance policies covering the Executive. The Executive will cooperate with the Company and provide such information or other assistance as the Company may reasonably request in connection with the Company obtaining and maintaining such policies. Executive shall be a named insured on all Company directors and officers, employment practices liability and errors and omissions insurance policies.

Section 9. Employment Representations and Warranties of the Executive.

The Executive hereby represents and warrants to the Company that (a) the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject, (b) the Executive is not a party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other Person or entity and (c) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Executive, enforceable in accordance with its terms. Executive agrees that he will not use or bring to the Company any trade secrets of another Person.

Section 10. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable in any jurisdiction, then such provision shall, as to such jurisdiction, be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or if such provision cannot be modified or restricted, then such provision shall, as to such jurisdiction, be deemed to be excised from this Agreement; provided, however, that the binding effect and enforceability of the remaining provisions of this Agreement, to the extent the economic benefits conferred upon the parties by virtue of this Agreement remain substantially unimpaired, shall not be affected or impaired in any manner, and any such invalidity, illegality or

unenforceability with respect to such provisions shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement and the Grant Letter and those documents expressly referred to herein and therein embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive and the Company and their respective successors, assigns, heirs, representatives and estate; provided, however, that the rights and obligations of the Executive under this Agreement shall not be assigned without the prior written consent of the Company and further provided that the Company's rights under this Agreement shall not be assigned, without Executive's written consent, to any entity which is not an Affiliate or successor-in-interest of the Company. For purposes of this Agreement, a successor-in-interest of the Company shall mean any person or entity to whom or which the Company transfers all or a substantial portion of its business.

(d) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED.

ANY PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED IN THE COURTS OF THE STATE OF NEW YORK OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH PROCEEDING. EACH OF THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR THE SOUTHERN DISTRICT OF NEW YORK AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM. ANY JUDGMENT MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(e) Remedies. All remedies hereunder are cumulative, are in addition to any other remedies provided for by law and may, to the extent permitted by law, be exercised

concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy.

(f) Amendment and Waiver. This Agreement may be amended or modified or any provision hereunder waived only by a written instrument signed by all of the parties hereto. Failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every provision. No waiver of any breach or noncompliance of this Agreement shall be held to be a waiver of any other or subsequent breach or noncompliance.

(g) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural includes the singular, the masculine gender includes both male and female referents, and the word “or” is used in the inclusive sense.

(h) Counterparts. This Agreement may be executed by facsimile signature or by signing, scanning and emailing, and in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

(i) Affirmation. The Executive acknowledges that the Executive has carefully read this Agreement, knows and understands its terms and conditions, and has had the opportunity to ask the Company any questions the Executive may have had prior to signing this Agreement. The Executive further acknowledges and agrees that the Executive has had the opportunity to seek the advice of independent legal counsel with respect to this Agreement.

(j) Indemnification. The Company shall provide the Executive with an Indemnification Agreement approved by the Board which contains terms no less favorable than the most favorable terms of any indemnification agreement the Company has entered into with any Board member. In addition, the Company shall provide to the Executive all indemnification- related protections and benefits described in the Operating Agreement.

(k) No Duty to Mitigate. Executive shall have no duty to mitigate any breach by the Company of this Agreement.

(1) Section 409A. Notwithstanding any other term in this Agreement, if the Executive is deemed at the time of his Separation from Service to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the IRS Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the IRS Code, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six (6) month period measured from the date of the Executive’s Separation from the Company or (b) the date of Executive’s death. Upon the expiration of the applicable IRS Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to the Executive and any remaining payments due under the Agreement shall be paid as otherwise provided in this Agreement. This Agreement and the Grant Letter shall be

interpreted, construed and administered in a manner that does not cause the Executive to incur federal tax liability under Section 409A of the IRS Code.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

THE COMPANY:

SHUTTERSTOCK IMAGES LLC

By: /s/ Jon Oringer
Name: JON ORINGER
Title: CEO

THE EXECUTIVE:

Thilo Semmelbauer

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

THE COMPANY:

SHUTTERSTOCK IMAGES LLC

By: _____
Name:
Title:

THE EXECUTIVE:

/s/ Thilo Semmelbauer
Thilo Semmelbauer

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (the "***Agreement***") is made and entered into by and between Thilo Semmelbauer ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the latest date set forth by the signatures of the parties hereto below (the "***Effective Date***").

RECITALS

1. The Board of Directors of the Company (the "***Board***") recognizes that it is possible that the Company could terminate Executive's employment with the Company and from time to time the Company may consider the possibility of an acquisition by another company or other change in control transaction. The Board also recognizes that such considerations can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such a termination of employment or the occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment with the Company and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment and with certain additional benefits following a Change in Control. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

4. The Company and Executive previously entered into an employment agreement dated March 21, 2010 (the "***Employment Agreement***"), which provided for certain payments and/or benefits upon Executive's termination of employment.

5. The Company and Executive wish to restate the terms of Executive's severance and benefits (whether or not in connection with a Change in Control) and replace any and all such provisions providing for severance and/or change in control payments and/or benefits in the Employment Agreement, as set forth below. All other terms and conditions of the Employment Agreement will remain in full force and effect.

6. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

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

1. Term of Agreement. This Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, including (without limitation) any termination of employment not set forth in Section 3, Executive will not be entitled to any payments, benefits, damages, awards or compensation other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses or pursuant to written agreements with the Company, including equity award agreements.

3. Severance Benefits.

(a) Termination without Cause and not in Connection with a Change in Control. If the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death at any time other than during the twenty-four (24)-month period immediately following a Change in Control, then, subject to Section 4, Executive will receive the following severance benefits from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid paid time off ("***PTO***"), expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive severance in an amount equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid on the following schedule in accordance with the Company's regular payroll procedures: (x) 50% as soon as practicable after the Executive's termination of employment, (y) 1/4 on the six (6) month anniversary of Executive's termination of employment, and (z) 1/4 on the one (1) year anniversary of Executive's termination of employment.

(iii) Pro-Rated Bonus Payment. Executive will receive a lump-sum severance payment equal to one hundred percent (100%) of Executive's target bonus as in effect for the fiscal year in which Executive's termination occurs, pro-rated by multiplying such bonus amount by a fraction, the numerator of which shall be the number of days from and including the first day of such fiscal year through and including the date of Executive's termination, and the denominator of which shall be three-hundred and sixty-five (365).

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such

coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under

similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. All of Executive's unvested and outstanding equity awards that would have become vested had Executive remained in the employ of the Company for the twelve (12)-month period following Executive's termination of employment shall immediately vest and become exercisable as of the date of Executive's termination. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change in Control. If during the twenty-four (24)-month period immediately following a Change in Control, (x) the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death, or (y) Executive resigns from such employment for Good Reason, then, subject to Section 4, Executive will receive the following severance benefits from the Company in lieu of the benefits described in Section 3(a) above:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid PTO, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive a lump sum severance payment equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures.

(iii) Target Bonus Payment. Executive will receive a lump sum severance payment equal to one hundred percent (100%) of Executive's full target bonus for the fiscal year in

effect at the date of such termination of employment (or, if greater, as in effect for the fiscal year in which the Change in Control occurs), less all required tax withholdings and other applicable deductions.

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. Executive will be entitled to accelerated vesting as to one hundred percent (100%) of the then unvested portion of all of Executive's outstanding equity awards. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(c) Disability; Death. If Executive's employment with the Company is terminated due to Executive becoming Disabled or Executive's death, then Executive or Executive's estate (as the case may be) will (i) receive the earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA). All payments under clauses (i) through (ii) above shall in all cases be made within thirty (30) days of Executive's termination of employment pursuant to this Section 3(c).

(d) Voluntary Resignation; Termination for Cause. If Executive voluntarily terminates Executive's employment with the Company (other than for Good Reason during the twenty-four (24) month period immediately following a Change of Control) or if the Company terminates Executive's employment with the Company for Cause, then Executive will (i) receive his

or her earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with established Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA).

(e) Timing of Payments. Subject to any specific timing provisions in Section 3(a), 3(b) or 3(c) as applicable, or the provisions of Section 4, payment of the severance and benefits hereunder shall be made or commence to be made as soon as practicable following Executive's termination of employment.

(f) Exclusive Remedy. In the event of a termination of Executive's employment with the Company, the provisions of this Section 3 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 (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no other severance, benefits, compensation or other payments or rights upon a termination of employment, including, without limitation, any severance payments and/or benefits provided in the Employment Agreement, other than those benefits expressly set forth in Section 3 of this Agreement or pursuant to written equity award agreements with the Company.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60^{th}) day following Executive's termination of employment (the "***Release Deadline***"), and if not, Executive will forfeit any right to severance payments or benefits under this Agreement. To become effective, the Release must be executed by Executive and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Executive having revoked the Release. In addition, in no event will severance payments or benefits be paid or provided until the Release actually becomes effective. If the termination of employment occurs at a time during the calendar year where the Release Deadline could occur in the calendar year following the calendar year in which Executive's termination of employment occurs, then any severance payments or benefits under this Agreement that would be considered Deferred Payments (as defined in Section 4(d)(i)) will be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or such later time as required by (i) the payment schedule applicable to each payment or benefit as set forth in Section 3, (ii) the date the Release becomes effective, or (iii) Section 4(d)(ii); provided that the first payment shall include all amounts that would have been paid to Executive if payment had commenced on the date of Executive's termination of employment.

(b) Non-Solicitation, Non-Competition and Non-Disparagement. Executive agrees, to the extent permitted by applicable law, that during the period of Executive's employment and for the twelve (12)-month period immediately following the date of Executive's termination (the

"***Restrictive Period***"), Executive, as a condition to receipt of severance pay and benefits under Sections 3(a) and 3(b), shall not:

(i) violate the restrictive covenants set forth in Sections 5(c), 5(d) or 5(e) of his Employment agreement; or

(ii) engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group.

In the event Executive violates the provisions of this Section 4(b), all severance pay and other benefits to which Executive may otherwise be entitled pursuant to Section 3(a) or 3(b) shall cease immediately. The covenant contained in this Section 4(b) hereof shall be construed as a series of separate covenants, one for each country, province, state, city or other political subdivision in which the Company currently engages in its business or, during the term of this Agreement, becomes engaged in its business. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this Section 4(b). If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 4(b) are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, permitted by applicable law.

(c) Confidential Information.

(i) Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business, including, without limitation, information pertaining to the Company Group's operations, customer and supplier lists, pricing information, cost structure, trade secrets, intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "***Confidential Information***"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (x) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (1) Executive (or by another Person at the direction of Executive) or (2) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (y) to the extent that such information or material is filed with any Governmental Authority on a nonconfidential basis; or (z) to the extent that such information or material is subject to a subpoena, summons or other legal process; provided, however, that Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests and reasonably cooperate with the Company in the pursuant of any such legally available steps, and assist the

Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse Executive for any reasonable expenses incurred in providing such assistance and shall pay Executive a reasonable consulting fee for such assistance if Executive is no longer employed by the Company).

(ii) Executive's receipt of any payments or benefits under Section 3 will be subject to Executive agreeing to keep secret and retain in strictest confidence all Confidential Information during his period of employment with the Company and at any time thereafter. Specifically, Executive shall not, without the prior written consent of the Company, directly or indirectly: (x) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (y) reproduce or recreate any Confidential Information. Notwithstanding any other term in this Agreement, Executive may reproduce, recreate and disclose the Company's Confidential Information, and proprietary information and trade secrets in the good faith performance of his job responsibilities. Upon the request by the Company, Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof.

(d) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (together, the "***Deferred Payments***") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. And for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(iii) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended constitute to Deferred Payments for purposes of clause (i) above

(iv) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit is not intended to constitute Deferred Payments for purposes of clause (i) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations.

(v) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (1) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Executive, (2) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (3) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(vi) Any tax gross-up that Executive is entitled to receive under this Agreement or otherwise shall be paid to Executive no later than December 31 of the calendar year following the calendar year in which Executive remits the related taxes.

(vii) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(viii) The payments and benefits provided under Sections 3(a) and 3(b) are intended to be exempt from or comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

5. Limitation on Payments.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being

subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 5(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(b) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by an independent firm (the "***Firm***"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of

making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 5. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5.

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

(a) Business. "***Business***" means (i) the business relating to the collection, sale, distribution and marketing of stock photography and/or stock video footage and (ii) any additional business engaged in by the Company at the time of Executive's termination of employment pursuant to which the Company derives at least two percent (2%) of its annual gross revenues as of such date.

(b) Cause. "***Cause***" means:

(i) Executive's gross negligence or willful misconduct in the performance of his or her duties and responsibilities to the Company or Executive's violation of any written Company policy;

(ii) Executive's commission of any act of fraud, theft, embezzlement, financial dishonesty or any other willful misconduct that has caused or is reasonably expected to result in injury to the Company;

(iii) Executive's conviction of, or pleading guilty or *nolo contendre* to, any felony or a lesser crime involving dishonesty or moral turpitude;

(iv) Executive's alcohol abuse or other substance abuse;

(v) Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of his or her relationship with the Company; or

(vi) Executive's material breach of any of his or her obligations under any written agreement or covenant with the Company.

(c) Change in Control. "***Change in Control***" means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 6(c)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 6(c)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Company's Board of the Directors (the "***Board***") is replaced during any twelve (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, if any person (as defined below in Section 6(c)(iv)) 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

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then

outstanding voting securities. For purposes of clauses (iii) and (iv) of this Section 6(c), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or 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 transactions. For the avoidance of doubt, an initial public offering of the common stock of the Company shall not constitute a Change in Control for purposes of this Agreement.

(d) Company Group. "***Company Group***" means the Company and its direct and indirect subsidiaries.

(e) Code. "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) Disability. "***Disability***" or "***Disabled***" means that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(g) Good Reason. "***Good Reason***" means Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence, without Executive's consent, of one or more of the following:

(i) A material reduction of Executive's duties, authority or responsibilities, relative to Executive's duties, authority or responsibilities in effect immediately prior to such reduction; provided, however, that not being named the President and Chief Operating Officer of the acquiring corporation following a Change in Control of the Company will not constitute Good Reason;

(ii) A material reduction in Executive's base compensation (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in base compensation;

(iii) A material change in the geographic location of Executive's primary work facility or location; provided, that a relocation of less than thirty-five (35) miles from Executive's then-present work location will not be considered a material change in geographic location; or

(iv) A material breach by the Company of a material provision of this Agreement.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice during which such condition must not have been cured.

(h) Governmental Authority. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(i) Person. "***Person***" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority

(j) Section 409A. "***Section 409A***" means Code Section 409A, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(k) Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding Executive's taxable year of his or her separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Executive's separation from service occurred.

(l) Territory. "***Territory***" means the United States of America and other jurisdictions where the Company transacts business as of the date of Executive's termination of employment.

7. Successors.

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

agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

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

8. Arbitration.

(a) Arbitration. In consideration of Executive's employment with the Company, its promise to arbitrate all employment-related disputes, and Executive's receipt of the compensation, pay raises and other benefits paid to Executive by the Company, at present and in the future, Executive agrees that any and all controversies, claims, or disputes with anyone (including the Company and any employee, officer, director, shareholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive's employment with the Company or termination thereof, including any breach of this Agreement, will be subject to binding arbitration under the Article 75 of the Civil Practice Law and Rules of the NY Code (the "***Act***"), and pursuant to New York law. The Federal Arbitration Act shall also apply with full force and effect, notwithstanding the application of procedural rules set forth under the Act.

(b) Dispute Resolution. **Disputes that Executive agrees to arbitrate, and thereby agrees to waive any right to a trial by jury, include any statutory claims under local, state, or federal law**, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with

Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes Oxley Act, the Worker Adjustment and Retraining Notification Act, the New York State Human Rights Law, New York Equal Rights Law, New York Whistleblower Protection Law, New York Family Leave Law, New York Equal Pay Law, the New York City Human Rights Law,, claims of harassment, discrimination, and wrongful termination, and any statutory or common law claims. Executive further understands that this agreement to arbitrate also applies to any disputes that the Company may have with Executive.

(c) Procedure. Executive agrees that any arbitration will be administered by the Judicial Arbitration & Mediation Services, Inc. ("***JAMS***"), pursuant to its Employment Arbitration Rules & Procedures (the "***JAMS Rules***"). The arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The arbitrator shall have the power to award any remedies available under applicable law, and the arbitrator shall award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the administrator or JAMS, and all arbitrator's fees, except that Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law. Executive agrees that the arbitrator shall administer and conduct any arbitration in accordance with New York law, and that the arbitrator shall apply substantive and procedural New York law to any dispute or claim, without reference to the rules of conflict of law. To the extent that the JAMS Rules conflict

with New York law, New York law shall take precedence. The decision of the arbitrator shall be in writing. Any arbitration under this Agreement shall be conducted in New York County, New York.

(d) Remedy. Except as provided by the Act, arbitration shall be the sole, exclusive, and final remedy for any dispute between Executive and the Company. **Accordingly, except as provided by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration**. Notwithstanding, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator will not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

(e) Administrative Relief. Executive is not prohibited from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. However, Executive may not pursue court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Executive acknowledges and agrees that Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that ***EXECUTIVE IS WAIVING EXECUTIVE'S RIGHT TO A JURY TRIAL***. Finally, Executive agrees that Executive has been provided an opportunity to seek the advice of an attorney of Executive's choice before signing this Agreement.

9. Confidential Information. Executive agrees to continue to comply with and be bound by the restrictive covenants related to Confidential Information (as defined in the Employment Agreement) as set forth in Executive's Employment Agreement.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated,

and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject to any applicable cure period. The failure by Executive or the Company to include in the notice any fact or circumstance which contributes to a showing of Good Reason or Cause, as applicable, will not waive any right of Executive or the Company, as applicable, hereunder or preclude Executive or the Company, as applicable, from asserting such fact or circumstance in enforcing his or her or its rights hereunder, as applicable.

11. Miscellaneous Provisions.

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

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

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

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior or contemporaneous representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with

respect to the subject matter hereof. Executive acknowledges and agrees that this Agreement encompasses all the rights of Executive to any severance payments and/or benefits based on the termination of Executive's employment and Executive hereby agrees that he or she has no such rights except as stated herein. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. This Agreement does not supersede Executive's Employment Agreement, except with respect to the subject matter hereof.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of New York without giving effect to provisions governing the choice of law.

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

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes, as determined in the Company's reasonable judgment.

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

[Signature Page to Follow]

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

COMPANY

SHUTTERSTOCK IMAGES LLC

By: /s/ Jonathan Oringer

Title: Chief Executive Officer

Date: September 24, 2012

EXECUTIVE

THILO SEMMELBAUER

By: /s/ Thilo Semmelbauer

Date: September 24, 2012

EMPLOYMENT AGREEMENT dated as of May 16, 2011 (this "Agreement"), between Shutterstock Images LLC, a New York limited liability company (the "Company"), with its principal place of business at 60 Broad Street, 30th Floor, New York, New York, 10004 and Timothy E. Bixby (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive, and the Executive wishes to be employed by the Company as Chief Financial Officer of the Company on the terms and conditions hereinafter contained; and

WHEREAS, in consideration for the Executive's employment with the Company, the Executive desires to agree to the noncompetition, nonsolicitation, cooperation, confidentiality, and other provisions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment.

The Company shall employ the Executive, and the Executive accepts employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on June 13, 2011(the "Effective Date") and ending only as provided in Section 4 (the "Employment Period").

Section 2. Position and Duties.

(a) During the Employment Period, the Executive shall serve as the Chief Financial Officer of the Company and shall have the usual and customary duties, responsibilities and authority related to such position, subject to the power of the Board of Managers of the Company (the "Board") and to the President, in each case, to expand or limit such duties, responsibilities and authority.

(b) While serving as Chief Financial Officer of the Company, the Executive shall report to the President and shall devote his best efforts and substantially all of his active business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and the entities owned and controlled directly or indirectly by the Company. The Executive shall perform his duties and responsibilities to the best of his abilities in a diligent and professional manner. During the Employment Period, the Executive shall not engage in any business activity which, in the reasonable judgment of the

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Board, conflicts with the duties of the Executive hereunder, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

(c) The foregoing restrictions shall not limit or prohibit the Executive from engaging in any passive investment, inactive business ventures and community, charitable, teaching, lecturing, religious and social activities not interfering with the Executive's performance and obligations hereunder.

Section 3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, the Executive's base salary shall be $325,000 per annum, or a higher amount per annum if the Board, in its sole discretion, should increase Executive's base salary (the "Base Salary"). The Base Salary shall be payable in regular installments in accordance with the Company's general payroll practices and subject to withholding and other payroll taxes.

(b) In addition, during the Employment Period and subject to the terms and conditions of the applicable plans and programs, the Executive shall be eligible to participate in all employee benefit programs (including, without limitation, healthcare, disability, life insurance and at least 18 days of paid time off per annum, increasing to 21 days of paid time after one year of employment with Company) for which senior executives of the Company and its subsidiaries are generally eligible.

(c) Discretionary Bonuses. In addition to the Base Salary, each calendar year during the Employment Period, the Executive shall receive an annual bonus equal to up to $200,000 (the "Initial Bonus") based upon achievement of the personal and Company performance criteria established by the Board, after good faith consultation with Executive. The Executive shall also be eligible to receive a $75,000 "Overachievement Bonus" based upon the attainment of an overachievement plan based on the personal and Company performance criteria established by the Board, after good faith consultation with Executive.

(d) The performance criteria for Executive's 2011 Bonuses shall be established within 30 days of the Effective Date, and for each bonus year thereafter, the performance criteria for that year's Bonuses shall be established by March 1 of the applicable year. The Bonuses, if earned, shall be payable by March 1 of the year following the year of the applicable bonus. Executive's 2011 Bonus shall be prorated for days employed in 2011. The payment of any bonus hereunder is dependent upon Executive being employed by Company at the time the bonus is paid.

(e) Expenses. During the Employment Period, the Company shall reimburse the Executive for all reasonable expenses incurred by him in the course of performing his duties under

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this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses (and in each case that have been approved by the President and/or the Board), subject in all instances to the Company's requirements with respect to reporting, documentation and approval of such expenses.

(f) Value Appreciation Right. Promptly following the Effective Date, the Executive shall be granted a Value Appreciation Right (the "Value Appreciation Right") with respect to 255,000 Units of Shutterstock Images LLC, subject to the provisions of the Shutterstock Images LLC Value Appreciation Plan (the "VAR Plan"). The grant of the Value Appreciation Right shall be incorporated into a definitive Value Appreciation Right Agreement (the "VAR Agreement") in a form consistent with the document attached hereto as Exhibit 1.

Section 4. Term and Termination.

(a) The employment of the Executive by the Company shall commence on the Effective Date and continue thereafter until terminated by the Company or the Executive as provided herein.

(b) The Employment Period:

(i) may be terminated by the Executive at any time by written notice to the Board at least thirty (30) days prior to such termination, such termination to be effective on the date specified in such notice;

(ii) may be terminated by the Executive for Good Reason at any time by written notice to the Board at least thirty (30) days prior to such termination, such termination to be effective on the date specified in such notice;

(iii) shall terminate upon the Executive's death or Disability (as defined below) and;

(iv) may be terminated by the Company at any time for Cause or without Cause by delivering written notice to the Executive.

(c) If the Employment Period is terminated (i) by the Company without Cause or (ii) by the Executive for Good Reason, the Executive shall be entitled to receive the Base Salary, for the period beginning on the date of such termination and ending on the six-month anniversary of the date of such termination, so long as the Executive signs a separation and release agreement with the Company at such time of termination in a form and substance reasonably acceptable to the Company, pursuant to which the Executive will agree to, among other things, release the Company, the Board and each of their respective Affiliates (as defined below), equityholders,

officers, agents, representatives and related Persons (as defined below) from, any and all actions, claims or suits that Executive may have against the Company, its subsidiaries, the Board or each of their respective Affiliates, equityholders, officers, agents, representatives and related Persons with respect to his employment and provided that the release is consistent with the terms of this Agreement; and provided, further, that if the Executive has breached the provisions of Section 5 or Section 6 of this Agreement, the provisions of Section 9 shall apply in lieu of this Section 4(c). Such payment of the Base Salary will be made periodically in the same amounts and at the same intervals as if the Employment Period had not ended and the Base Salary otherwise continued to be paid (subject to withholding and other similar taxes). All payments to be made by the Company pursuant to this Section 4(c) shall be in lieu of any other payments to be made hereunder.

(d) If the Employment Period is terminated for any reason other than by the Company without Cause or by the Executive for Good Reason, then the Executive shall only be entitled to receive his Base Salary earned through the date of termination.

(e) Except as otherwise required by law (e.g., COBRA) or as specifically provided herein, all of the Executive's rights to salary, severance, fringe benefits and bonuses hereunder (if any) accruing after the termination of the Employment Period shall cease upon termination.

(f) For purposes of this Agreement, "Affiliate" means, with respect to any Person, (i) who is an individual, the spouse, parent, sibling or lineal descendant of such Person, (ii) that is an entity, the officers, directors, managers, members, partners or any affiliate of the foregoing and (iii) any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person. For purposes of this definition, the terms "control," "controlling," "controlled by" and "under common control with," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(g) For purposes of this Agreement, "Cause" means (i) the failure by the Executive to observe material Company policies and/or material policies of Affiliates of the Company generally applicable to executives of the Company and/or its Affiliates, (ii) gross negligence or willful misconduct by the Executive in the performance of his duties, (iii) the commission by the Executive of any act of fraud, theft or financial dishonesty with respect to the Company or any of its Affiliates, (iv) the Executive's indictment, conviction of, or pleading no contest or *nolo contendre* to, any felony or a lesser crime involving dishonesty or moral turpitude, (v) the breach by the Executive of any material provision of this Agreement or any other agreement or contract with the Company or any of its Affiliates, or (vi) chronic absenteeism, provided that that the events or conditions listed above in subsections (v) and (vi) shall not constitute Cause unless; (A) within thirty (30) days of the Company becoming aware of the

event(s) described therein, the Company provides the Executive with written notice that Cause to terminate him exists; (B) the Executive has not remedied the events described in the Company's notice within thirty (30) days of receipt of the notice; and (C) the Company terminates the Executive's employment within fifteen (15) days following the expiration of that cure period.

(h) For purposes of this Agreement, "Disability" shall mean any long-term disability or incapacity which (i) renders the Executive unable to substantially perform his duties hereunder for one hundred (100) days or longer during any period of 360 consecutive days or (ii) would reasonably be expected to render the Executive unable to substantially perform his duties for one hundred (100) days or longer during any period of 360 consecutive days, in each case as determined by the Board in its good faith judgment.

(i) For purposes of this Agreement, "Good Reason" shall mean, without Executive's written consent (i) a material reduction of Executive's title, duties, responsibilities, authority and/or reporting relationship from those in effect on the Effective Date, (ii) the relocation of the principal place of business of the Company by more than thirty-five (35) miles from Executive's residence as of the Effective Date as set forth on the signature page hereof and a requirement that the Executive perform his services at the new location, (iii) the breach by the Company of any material provisions of this Agreement or any material agreement the Company and Executive enter into, or (iv) any material reduction in Executive's base salary or bonus level; provided, however, that none of the events or conditions listed above shall constitute Good Reason unless: (A) within thirty (30) days of Executive becoming aware of the event(s) described in (i)-(iv), the Executive provides the Company written notice that Good Reason to resign exists; (B) the Company has not remedied the events described in Executive's notice within thirty (30) days of receipt of the notice; and (C) Executive terminates his employment within fifteen (15) days following the expiration of that cure period.

(j) Effective upon termination of employment hereunder for any reason, the Executive hereby gives the Company and any applicable subsidiary and Affiliate of the Company, notice of his resignation from any and all positions as officer of the Company and its subsidiaries and Affiliates and as a manager on the Board or other similar governing body of the Company and its subsidiaries, as applicable. The Executive hereby agrees to provide prompt written confirmation to the Company of the foregoing upon his termination for any reason.

Section 5. Restrictive Covenants.

(a) The Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business (as defined below), including, without limitation, information pertaining to the Company Group's (as defined below) operations, customer and supplier lists, pricing information, cost structure, trade secrets,

intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "Confidential Information"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (i) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (x) the Executive or (y) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (ii) to the extent that such information or material is filed with any Governmental Authority on a non-confidential basis; or (iii) to the extent that such information or material is subject to a subpoena, summons or other legal process, provided, however, that the Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests, and assist the Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse the Executive for any reasonable expenses incurred in providing such assistance).

(b) Except to the extent necessary to perform his duties hereunder, the Executive agrees to keep secret and retain in strictest confidence all Confidential Information during the Employment Period and at any time thereafter. Except to the extent necessary to perform his job duties hereunder, the Executive shall not, without the prior written consent of the Company, directly or indirectly: (i) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (ii) reproduce or recreate any Confidential Information. Upon the request by the Company, the Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof. Notwithstanding anything to the contrary contained herein, Executive, acting in good faith, may authorize third parties to disclose Confidential Information if the Executive determines that such disclosure is necessary to allow such third parties to perform their job duties or otherwise render services to Company or to comply with applicable laws, regulations or with the rules of any securities exchange or other applicable securities market.

(c) During the Restrictive Period (as defined below), the Executive shall not, without the prior written consent of the Company, directly or indirectly, (x) employ or assist any other Person in employing any individual, as an employee or independent contractor (other than

for the Company), or (y) induce or solicit for employment, as an employee or independent contractor, or assist any other Person in inducing or soliciting for employment (other than for the Company), as an employee or independent contractor, any individual who, in each case, is or was at any time during such Restricted Period, an employee of the Company Group.

(d) During the Restrictive Period, the Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit or contact any Person that was a supplier, customer or client of the Company Group at any time during the term hereof for the purpose of (i) providing to, or obtaining from, such supplier, customer or client goods or services in competition with the Business, (ii) inducing or encouraging them to acquire or obtain from anyone other than the Company Group, goods or services in competition with the Business or (iii) inducing or encouraging them to provide goods or services in competition with the Business, to any other Person or entity, provided however that the foregoing shall not apply to the use of professionals such as law firms, auditors, and the like. During the Restrictive Period, the Executive shall not (i) engage in the Business within the Territory (as defined below); (ii) engage or assist any Person (whether in a financial, managerial, employment, advisory or other capacity or as a stockholder or owner, or by the provision of information) to engage in a business or business activities or in competition with the Business within the Territory; or (iii) own any interest in or organize a corporation, partnership or other business or organization which engages in a business or business activities similar to or in competition with the Business within the Territory. The restrictions contained in this subparagraph shall not apply to ownership by Executive of less than a 10% interest in any company, partnership or other business that competes with Company, provided that the Executive does not otherwise breach the terms hereof, and further provided that Executive discloses such ownership interest to Company simultaneously with the execution hereof or within five (5) days of acquiring same, as applicable. Notwithstanding the foregoing, if Executive is employed by a corporation, partnership or other business with multiple business activities, and less than 7.5% of that corporation's annual revenues derive from the competitive business activity, Executive's engagement in business with that company will not violate the provisions of this Section so long as his duties are not directly related to the competitive activities of that business. The foregoing sentence does not constitute nor shall it be deemed to constitute a waiver of any of the restrictive covenants contained herein.

(e) The Executive agrees that he will not engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group, or making or causing to be made any statement that is critical of or otherwise maligns the business reputation of the Company Group, and which is materially injurious to the reputation and interest of the Company Group.

(f) The Executive acknowledges that his agreement to the provisions set forth in this Agreement, and, in particular, the provisions set forth in this Section 5, is consideration for the Executive's employment with the Company.

As used herein, the following terms shall have the following meanings: (i) "Business" means the business relating to the collection, sale, distribution and marketing of stock photography; (ii) "Company Group" shall mean the Company and its direct and indirect subsidiaries; (iii) "Governmental Authority" means

any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal; (iv) "Person" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority; (v) "Restrictive Period" shall mean the period commencing on the Effective Date and continuing until the First (1st) anniversary of the termination of the Employment Period; and (vi) "Territory" shall mean the United States of America and other jurisdictions where the Company transacts business as of the date hereof.

Section 6. Inventions and Patents.

The Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relates to the Company's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other Person) while employed by the Company (and for the Restrictive Period if and to the extent such Work Product (as defined below) results from any work performed for the Company, any use of the Company's premises or property or any use of the Company's Confidential Information together with all patent applications, letters patent, trademark, tradename and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as, the "Work Produce")), belong in all instances to the Company or such subsidiary. The Executive will promptly disclose such Work Product to the Company and perform all actions reasonably requested by the President and/or the Board (whether during or after the Employment Period) to establish and confirm the Company's ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) and to provide reasonable assistance to the Company or any of its subsidiaries (whether during or after the Employment Period) in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product. The

Executive recognizes and agrees that the Work Product, to the extent copyrightable, constitutes works for hire under the copyright laws of the United States.

Section 7. Enforcement.

Because the Executive's services are unique and because the Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages would be an inadequate remedy for any breach of Section 5 or 6 of this Agreement. Therefore, in the event of a breach or threatened breach of Section 5 or 6 of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor at law or in equity, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security) or require the Executive to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of the covenants contained in Section 5 or 6 of this Agreement, if and when final judgment of a court of competent jurisdiction is so entered against the Executive.

Section 8. Insurance.

The Company may, for its own benefit, maintain "keyman" life and disability insurance policies covering the Executive. The Executive will cooperate with the Company and provide such information or other assistance as the Company may reasonably request in connection with the Company obtaining and maintaining such policies.

Section 9. Termination of Severance Payments.

In addition to the foregoing, and not in any in limitation thereof, or in limitation of any right or remedy otherwise available to the Company, if the Executive violates any provision of the foregoing Sections 5 or 6, any and all payments or benefits then or thereafter due from the Company to the Executive hereunder shall be terminated forthwith and the Company's obligation to pay and the Executive's right to receive such payments or benefits shall terminate and be of no further force or effect, in each case without limiting or affecting the Executive's obligations under Sections 5 and 6 or the Company's other rights and remedies available at law or equity.

Section 10. Employment Representations and Warranties of the Executive.

The Executive hereby represents and warrants to the Company that (a) the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject,

(b) except as previously disclosed in writing to the Company, the Executive is not a party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other Person or entity and (c) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Executive, enforceable in accordance with its terms. Executive agrees that he will not use or bring to the Company any trade secrets of another Person.

Section 11. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable in any jurisdiction, then such provision shall, as to such jurisdiction, be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or if such provision cannot be modified or restricted, then such provision shall, as to such jurisdiction, be deemed to be excised from this Agreement; provided, however, that the binding effect and enforceability of the remaining provisions of this Agreement, to the extent the economic benefits conferred upon the parties by virtue of this Agreement remain substantially unimpaired, shall not be affected or impaired in any manner, and any such invalidity, illegality or unenforceability with respect to such provisions shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement and the Grant Letter and those documents expressly referred to herein and therein embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive and the Company and their respective successors, assigns, heirs, representatives and estate; provided, however, that the rights and obligations of the Executive under this Agreement shall not be assigned without the prior written consent of the Company.

(d) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED.

ANY PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT SHALL ONLY BE BROUGHT AND ENFORCED IN THE COURTS OF THE STATE OF NEW YORK OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH PROCEEDING. EACH OF THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR THE SOUTHERN DISTRICT OF NEW YORK AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM. ANY JUDGMENT MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(e) Remedies. All remedies hereunder are cumulative, are in addition to any other remedies provided for by law and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy.

(f) Amendment and Waiver. This Agreement may be amended or modified or any provision hereunder waived only by a written instrument signed by all of the parties hereto. Failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every provision. No waiver of any breach or noncompliance of this Agreement shall be held to be a waiver of any other or subsequent breach or noncompliance.

(g) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural includes the singular, the masculine gender includes both male and female referents, and the word “or” is used in the inclusive sense.

(h) Counterparts. This Agreement may be executed by facsimile signature or by signing, scanning and emailing, and in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

(i) Affirmation. The Executive acknowledges that the Executive has carefully read this Agreement, knows and understands its terms and conditions, and has had the opportunity to ask the Company any questions the Executive may have had prior to signing this Agreement. The Executive further acknowledges and agrees that the Executive has had the opportunity to seek the advice of independent legal counsel with respect to this Agreement.

(j) Indemnification. The Company shall provide to the Executive all indemnification-related protections and benefits provided to senior executives of the Company.

(k) Section 409A. Notwithstanding any other term in this Agreement, if the Executive is deemed at the time of his Separation from Service to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the IRS Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the IRS Code, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six (6) month period measured from the date of the Executive’s Separation from the Company or (b) the date of Executive’s death. Upon the expiration of the applicable IRS Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to the Executive and any remaining payments due under the Agreement shall be paid as otherwise provided in this Agreement. This Agreement and the VAR Agreement shall be interpreted, construed and administered in a manner that does not cause the Executive to incur federal tax liability under Section 409A of the IRS Code.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

SHUTTERSTOCK IMAGES LLC

By: /s/ Thilo Semmelbauer
Thilo Semmelbauer
President

/s/ Timothy E. Bixby
Timothy E. Bixby

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (the "***Agreement***") is made and entered into by and between Timothy E. Bixby ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the latest date set forth by the signatures of the parties hereto below (the "***Effective Date***").

RECITALS

1. The Board of Directors of the Company (the "***Board***") recognizes that it is possible that the Company could terminate Executive's employment with the Company and from time to time the Company may consider the possibility of an acquisition by another company or other change in control transaction. The Board also recognizes that such considerations can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such a termination of employment or the occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment with the Company and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment and with certain additional benefits following a Change in Control. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

4. The Company and Executive previously entered into an employment agreement dated May 16, 2011 (the "***Employment Agreement***"), which provided for certain payments and/or benefits upon Executive's termination of employment.

5. The Company and Executive wish to restate the terms of Executive's severance and benefits (whether or not in connection with a Change in Control) and replace any and all such provisions providing for severance and/or change in control payments and/or benefits in the Employment Agreement, as set forth below. All other terms and conditions of the Employment Agreement will remain in full force and effect.

6. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

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

1. Term of Agreement. This Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, including (without limitation) any termination of employment not set forth in Section 3, Executive will not be entitled to any payments, benefits, damages, awards or compensation other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses or pursuant to written agreements with the Company, including equity award agreements.

3. Severance Benefits.

(a) Termination without Cause and not in Connection with a Change in Control. If the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death at any time other than during the twenty-four (24)-month period immediately following a Change in Control, then, subject to Section 4, Executive will receive the following severance benefits from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid paid time off ("***PTO***"), expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive severance in an amount equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid on the following schedule in accordance with the Company's regular payroll procedures: (x) 1/3 as soon as practicable after the Executive's termination of employment, (y) 1/3 on the six (6) month anniversary of Executive's termination of employment, and (z) 1/3 on the one (1) year anniversary of Executive's termination of employment.

(iii) Pro-Rated Bonus Payment. Executive will receive a lump-sum severance payment equal to one hundred percent (100%) of Executive's target bonus as in effect for the fiscal year in which Executive's termination occurs, pro-rated by multiplying such bonus amount by a fraction, the numerator of which shall be the number of days from and including the first day of such fiscal year through and including the date of Executive's termination, and the denominator of which shall be three-hundred and sixty-five (365).

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such

coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under

similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. All of Executive's unvested and outstanding equity awards that would have become vested had Executive remained in the employ of the Company for the twelve (12)-month period following Executive's termination of employment shall immediately vest and become exercisable as of the date of Executive's termination. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change in Control. If during the twenty-four (24)-month period immediately following a Change in Control, (x) the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death, or (y) Executive resigns from such employment for Good Reason, then, subject to Section 4, Executive will receive the following severance benefits from the Company in lieu of the benefits described in Section 3(a) above:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid PTO, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive a lump sum severance payment equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures.

(iii) Target Bonus Payment. Executive will receive a lump sum severance payment equal to one hundred percent (100%) of Executive's full target bonus for the fiscal year in

effect at the date of such termination of employment (or, if greater, as in effect for the fiscal year in which the Change in Control occurs), less all required tax withholdings and other applicable deductions.

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. Executive will be entitled to accelerated vesting as to one hundred percent (100%) of the then unvested portion of all of Executive's outstanding equity awards. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(c) Disability; Death. If Executive's employment with the Company is terminated due to Executive becoming Disabled or Executive's death, then Executive or Executive's estate (as the case may be) will (i) receive the earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA). All payments under clauses (i) through (ii) above shall in all cases be made within thirty (30) days of Executive's termination of employment pursuant to this Section 3(c).

(d) Voluntary Resignation; Termination for Cause. If Executive voluntarily terminates Executive's employment with the Company (other than for Good Reason during the twenty-four (24) month period immediately following a Change of Control) or if the Company terminates Executive's employment with the Company for Cause, then Executive will (i) receive his

or her earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with established Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA).

(e) Timing of Payments. Subject to any specific timing provisions in Section 3(a), 3(b) or 3(c) as applicable, or the provisions of Section 4, payment of the severance and benefits hereunder shall be made or commence to be made as soon as practicable following Executive's termination of employment.

(f) Exclusive Remedy. In the event of a termination of Executive's employment with the Company, the provisions of this Section 3 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 (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no other severance, benefits, compensation or other payments or rights upon a termination of employment, including, without limitation, any severance payments and/or benefits provided in the Employment Agreement, other than those benefits expressly set forth in Section 3 of this Agreement or pursuant to written equity award agreements with the Company.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60^{th}) day following Executive's termination of employment (the "***Release Deadline***"), and if not, Executive will forfeit any right to severance payments or benefits under this Agreement. To become effective, the Release must be executed by Executive and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Executive having revoked the Release. In addition, in no event will severance payments or benefits be paid or provided until the Release actually becomes effective. If the termination of employment occurs at a time during the calendar year where the Release Deadline could occur in the calendar year following the calendar year in which Executive's termination of employment occurs, then any severance payments or benefits under this Agreement that would be considered Deferred Payments (as defined in Section 4(d)(i)) will be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or such later time as required by (i) the payment schedule applicable to each payment or benefit as set forth in Section 3, (ii) the date the Release becomes effective, or (iii) Section 4(d)(ii); provided that the first payment shall include all amounts that would have been paid to Executive if payment had commenced on the date of Executive's termination of employment.

(b) Non-Solicitation, Non-Competition and Non-Disparagement. Executive agrees, to the extent permitted by applicable law, that during the period of Executive's employment and for the twelve (12)-month period immediately following the date of Executive's termination (the

"***Restrictive Period***"), Executive, as a condition to receipt of severance pay and benefits under Sections 3(a) and 3(b), shall not:

(i) violate the restrictive covenants set forth in Sections 5(c) or 5(d) of his Employment agreement; or

(ii) engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group.

In the event Executive violates the provisions of this Section 4(b), all severance pay and other benefits to which Executive may otherwise be entitled pursuant to Section 3(a) or 3(b) shall cease immediately. The covenant contained in this Section 4(b) hereof shall be construed as a series of separate covenants, one for each country, province, state, city or other political subdivision in which the Company currently engages in its business or, during the term of this Agreement, becomes engaged in its business. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this Section 4(b). If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 4(b) are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, permitted by applicable law.

(c) Confidential Information.

(i) Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business, including, without limitation, information pertaining to the Company Group's operations, customer and supplier lists, pricing information, cost structure, trade secrets, intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "***Confidential Information***"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (x) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (1) Executive (or by another Person at the direction of Executive) or (2) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (y) to the extent that such information or material is filed with any Governmental Authority on a nonconfidential basis; or (z) to the extent that such information or material is subject to a subpoena, summons or other legal process; provided, however, that Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests and reasonably cooperate with the Company in the pursuant of any such legally available steps, and assist the

Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse Executive for any reasonable expenses incurred in providing such assistance and shall pay Executive a reasonable consulting fee for such assistance if Executive is no longer employed by the Company).

(ii) Executive's receipt of any payments or benefits under Section 3 will be subject to Executive agreeing to keep secret and retain in strictest confidence all Confidential Information during his period of employment with the Company and at any time thereafter. Specifically, Executive shall not, without the prior written consent of the Company, directly or indirectly: (x) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (y) reproduce or recreate any Confidential Information. Notwithstanding any other term in this Agreement, Executive may reproduce, recreate and disclose the Company's Confidential Information, and proprietary information and trade secrets in the good faith performance of his job responsibilities. Upon the request by the Company, Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof.

(d) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (together, the "***Deferred Payments***") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. And for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(iii) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended constitute to Deferred Payments for purposes of clause (i) above

(iv) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit is not intended to constitute Deferred Payments for purposes of clause (i) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations.

(v) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (1) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Executive, (2) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (3) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(vi) Any tax gross-up that Executive is entitled to receive under this Agreement or otherwise shall be paid to Executive no later than December 31 of the calendar year following the calendar year in which Executive remits the related taxes.

(vii) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(viii) The payments and benefits provided under Sections 3(a) and 3(b) are intended to be exempt from or comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

5. Limitation on Payments.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being

subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 5(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(b) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by an independent firm (the "***Firm***"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of

making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 5. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5.

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

(a) Business. "***Business***" means (i) the business relating to the collection, sale, distribution and marketing of stock photography and/or stock video footage and (ii) any additional business engaged in by the Company at the time of Executive's termination of employment pursuant to which the Company derives at least two percent (2%) of its annual gross revenues as of such date.

(b) Cause. "***Cause***" means:

(i) Executive's gross negligence or willful misconduct in the performance of his or her duties and responsibilities to the Company or Executive's violation of any written Company policy;

(ii) Executive's commission of any act of fraud, theft, embezzlement, financial dishonesty or any other willful misconduct that has caused or is reasonably expected to result in injury to the Company;

(iii) Executive's conviction of, or pleading guilty or *nolo contendre* to, any felony or a lesser crime involving dishonesty or moral turpitude;

(iv) Executive's alcohol abuse or other substance abuse;

(v) Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of his or her relationship with the Company; or

(vi) Executive's material breach of any of his or her obligations under any written agreement or covenant with the Company.

(c) Change in Control. "***Change in Control***" means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 6(c)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 6(c)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Company's Board of the Directors (the "***Board***") is replaced during any twelve (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, if any person (as defined below in Section 6(c)(iv)) 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

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then

outstanding voting securities. For purposes of clauses (iii) and (iv) of this Section 6(c), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or 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 transactions. For the avoidance of doubt, an initial public offering of the common stock of the Company shall not constitute a Change in Control for purposes of this Agreement.

(d) Company Group. "***Company Group***" means the Company and its direct and indirect subsidiaries.

(e) Code. "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) Disability. "***Disability***" or "***Disabled***" means that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(g) Good Reason. "***Good Reason***" means Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence, without Executive's consent, of one or more of the following:

(i) A material reduction of Executive's duties, authority or responsibilities, relative to Executive's duties, authority or responsibilities in effect immediately prior to such reduction; provided, however, that not being named the Chief Financial Officer of the acquiring corporation following a Change in Control of the Company will not constitute Good Reason;

(ii) A material reduction in Executive's base compensation (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in base compensation;

(iii) A material change in the geographic location of Executive's primary work facility or location; provided, that a relocation of less than thirty-five (35) miles from Executive's then-present work location will not be considered a material change in geographic location; or

(iv) A material breach by the Company of a material provision of this Agreement.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice during which such condition must not have been cured.

(h) Governmental Authority. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(i) Person. "***Person***" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority

(j) Section 409A. "***Section 409A***" means Code Section 409A, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(k) Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding Executive's taxable year of his or her separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Executive's separation from service occurred.

(l) Territory. "***Territory***" means the United States of America and other jurisdictions where the Company transacts business as of the date of Executive's termination of employment.

7. Successors.

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

agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

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

8. Arbitration.

(a) Arbitration. In consideration of Executive's employment with the Company, its promise to arbitrate all employment-related disputes, and Executive's receipt of the compensation, pay raises and other benefits paid to Executive by the Company, at present and in the future, Executive agrees that any and all controversies, claims, or disputes with anyone (including the Company and any employee, officer, director, shareholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive's employment with the Company or termination thereof, including any breach of this Agreement, will be subject to binding arbitration under the Article 75 of the Civil Practice Law and Rules of the NY Code (the "***Act***"), and pursuant to New York law. The Federal Arbitration Act shall also apply with full force and effect, notwithstanding the application of procedural rules set forth under the Act.

(b) Dispute Resolution. **Disputes that Executive agrees to arbitrate, and thereby agrees to waive any right to a trial by jury, include any statutory claims under local, state, or federal law**, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with

Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes Oxley Act, the Worker Adjustment and Retraining Notification Act, the New York State Human Rights Law, New York Equal Rights Law, New York Whistleblower Protection Law, New York Family Leave Law, New York Equal Pay Law, the New York City Human Rights Law,, claims of harassment, discrimination, and wrongful termination, and any statutory or common law claims. Executive further understands that this agreement to arbitrate also applies to any disputes that the Company may have with Executive.

(c) Procedure. Executive agrees that any arbitration will be administered by the Judicial Arbitration & Mediation Services, Inc. ("***JAMS***"), pursuant to its Employment Arbitration Rules & Procedures (the "***JAMS Rules***"). The arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The arbitrator shall have the power to award any remedies available under applicable law, and the arbitrator shall award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the administrator or JAMS, and all arbitrator's fees, except that Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law. Executive agrees that the arbitrator shall administer and conduct any arbitration in accordance with New York law, and that the arbitrator shall apply substantive and procedural New York law to any dispute or claim, without reference to the rules of conflict of law. To the extent that the JAMS Rules conflict

with New York law, New York law shall take precedence. The decision of the arbitrator shall be in writing. Any arbitration under this Agreement shall be conducted in New York County, New York.

(d) Remedy. Except as provided by the Act, arbitration shall be the sole, exclusive, and final remedy for any dispute between Executive and the Company. **Accordingly, except as provided by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration**. Notwithstanding, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator will not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

(e) Administrative Relief. Executive is not prohibited from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. However, Executive may not pursue court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Executive acknowledges and agrees that Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that ***EXECUTIVE IS WAIVING EXECUTIVE'S RIGHT TO A JURY TRIAL***. Finally, Executive agrees that Executive has been provided an opportunity to seek the advice of an attorney of Executive's choice before signing this Agreement.

9. Confidential Information. Executive agrees to continue to comply with and be bound by the restrictive covenants related to Confidential Information (as defined in the Employment Agreement) as set forth in Executive's Employment Agreement.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated,

and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject to any applicable cure period. The failure by Executive or the Company to include in the notice any fact or circumstance which contributes to a showing of Good Reason or Cause, as applicable, will not waive any right of Executive or the Company, as applicable, hereunder or preclude Executive or the Company, as applicable, from asserting such fact or circumstance in enforcing his or her or its rights hereunder, as applicable.

11. Miscellaneous Provisions.

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

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

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

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior or contemporaneous representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with

respect to the subject matter hereof. Executive acknowledges and agrees that this Agreement encompasses all the rights of Executive to any severance payments and/or benefits based on the termination of Executive's employment and Executive hereby agrees that he or she has no such rights except as stated herein. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. This Agreement does not supersede Executive's Employment Agreement, except with respect to the subject matter hereof.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of New York without giving effect to provisions governing the choice of law.

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

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes, as determined in the Company's reasonable judgment.

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

[Signature Page to Follow]

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

COMPANY

SHUTTERSTOCK IMAGES LLC

By: /s/ Jonathan Oringer

Title: Chief Executive Officer

Date: September 24, 2012

EXECUTIVE

TIMOTHY E. BIXBY

By: /s/ Timothy E. Bixby

Date: September 22, 2012

EMPLOYMENT AGREEMENT

This Employment Agreement (the "***Agreement***") is made and entered into by and between James Chou ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the date set forth by the signature of the Executive below (the "***Effective Date***").

RECITALS

WHEREAS, Executive is currently employed by the Company and Executive and the Company desire to memorialize the go-forward terms of the employment relationship.

NOW THEREFORE, in consideration for Executive's continued employment with the Company and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Duties and Scope of Employment.**

(a) **At-Will Employment**. Following the Effective Date, Executive will continue to be employed by the Company pursuant to the terms set forth in this Agreement. Executive's employment with the Company is for no specified period and constitutes "at will" employment. As a result, Executive is free to terminate his employment relationship at any time, with or without advance notice, and for any reason or for no reason. Similarly, the Company is free to terminate its employment relationship with Executive at any time, with or without advance notice, and with or without cause. Furthermore, although terms and conditions of Executive's employment relationship with the Company may change over time, nothing shall change the at-will employment relationship between Executive and the Company.

(b) **Position and Responsibilities.** For the term of Executive's employment under this Agreement ("***Employment***" or the "***Employment Period***"), the Company agrees to employ Executive in the position of Chief Technology Officer. Executive will report to the Company's President and Chief Operating Officer (the "***COO***"), or to such other person as the Company subsequently may determine, and Executive will be working out of the Company's office in New York City. Executive will perform the duties and have the responsibilities and authority customarily performed and held by an employee in Executive's position or as otherwise may be assigned or delegated to Executive by the COO.

(c) **Obligations to the Company.** During the Employment Period, Executive shall perform Executive's duties faithfully and to the best of Executive's ability and will devote Executive's full business efforts and time to the Company. During the Employment Period, without the prior written approval of the Chief Executive Officer, Executive shall not render services in any capacity to any other person or entity and shall not act as a sole proprietor or partner of any other person or entity or own more than five percent (5%) of the stock of any other corporation. Notwithstanding the foregoing, Executive may serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements, teach at educational institutions, or manage personal investments without advance written and on corporate boards or committees with advance written consent of the Board (as defined below); provided that such activities do not individually or in the aggregate interfere with the performance of Executive's

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duties under this Agreement or create a potential business or fiduciary conflict. Executive shall comply with the Company's policies and rules, as they may be in effect from time to time during Executive's Employment.

(d) **No Conflicting Obligations.** Executive represents and warrants to the Company that Executive is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Executive's obligations under this Agreement. In connection with Executive's Employment, Executive shall not use or disclose any trade secrets or other proprietary information or intellectual property in which Executive or any other person has any right, title or interest and Executive's Employment will not infringe or violate the rights of any other person. Executive represents and warrants to the Company that Executive has returned all property and confidential information belonging to any prior employer.

2. **Cash and Incentive Compensation.**

(a) **Base Salary.** Executive shall continue to be paid, as compensation for Executive's services, a base salary at a gross annual rate of $275,000, less all required tax withholdings and other applicable deductions, in accordance with the Company's standard payroll procedures. The annual compensation specified in this subsection (a), together with any modifications in such compensation that the Company may make from time to time, is referred to in this Agreement as the "***Base Salary***." Executive's Base Salary will be subject to review and adjustments that will be made based upon the Company's normal performance review practices. Effective as of the date of any change to Executive's Base Salary, the Base Salary as so changed shall be considered the new Base Salary for all purposes of this Agreement.

(b) **Cash Incentive Bonus.** Executive will be eligible to be considered for an annual cash incentive bonus (the "***Cash Bonus***") each calendar year during the term of Executive's Employment under this Agreement based upon the achievement of certain objective or subjective criteria established by, and in the sole discretion of, the Company's Board of Directors (the "***Board***") or any Compensation Committee of the Board (the "***Committee***"), as applicable. The initial target amount for any such Cash Bonus will be up to forty percent (40%) of Executive's Base Salary (the "***Target Bonus Percentage***"), less all required tax withholdings and other applicable deductions. The determinations of the Board or the Committee, as applicable, with respect to such Cash Bonus or the Target Bonus Percentage shall be final and binding. Executive's Target Bonus Percentage for any subsequent year may be adjusted up or down, as determined in the sole discretion of the Board or the Committee, as applicable. Executive shall not earn a Cash Bonus unless Executive is employed by the Company on the date when such Cash Bonus is actually paid by the Company.

3. **Paid Time Off and Employee Benefits.** During the Employment Period, Executive shall be eligible to accrue up to 21 days of paid time off ("***PTO***") per calendar year, in accordance with the Company's PTO policy, as it may be amended from time to time. During the Employment Period, Executive shall be eligible to participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such employee

benefit plan. The Company reserves the right to cancel or change the employee benefit plans and programs it offers to its employees at any time.

4. **Business Expenses.** The Company will reimburse Executive for necessary and reasonable business expenses incurred in connection with Executive's duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. **Rights Upon Termination.** Except as expressly provided in the Severance and Change in Control Agreement between Executive and the Company (the "***CIC Severance Agreement***"), upon the termination of Employment, Executive shall only be entitled to the accrued but unpaid base salary compensation, PTO and other benefits earned and the reimbursements described in this Agreement or under any Company-provided plans, policies, and arrangements for the period preceding the effective date of the termination of Employment.

6. **Successors.**

(a) **Company's Successors.** This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "***Company***" shall include any successor to the Company's business or assets that become bound by this Agreement.

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

7. **Miscellaneous Provisions.**

(a) **Indemnification.** The Company shall indemnify Executive to the maximum extent permitted by applicable law and the Company's Bylaws with respect to Executive's service and Executive shall also be covered under a directors and officers liability insurance policy paid for by the Company to the extent that the Company maintains such a liability insurance policy now or in the future.

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

(c) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In Executive's case, mailed notices shall be addressed to Executive at the home address that Executive most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(d) **Modifications and Waivers.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in

writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Whole Agreement.** This Agreement supersedes any and all prior employment-related communications between Executive and the Company. No other agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement, the CIC Severance Agreement and the Employee Non-Disclosure Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(f) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(g) **Choice of Law and Severability.** This Agreement shall be interpreted in accordance with the laws of the State of New York without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "***Law***") then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(h) **No Assignment.** This Agreement and all of your rights and obligations hereunder are personal to you and may not be transferred or assigned by you at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(i) **Acknowledgment**. You acknowledge that you have the opportunity to discuss this matter with and obtain advice from your personal attorney, have had sufficient time to, and have carefully read and fully understand all the provisions of this Agreement, and are knowingly and voluntarily entering into this Agreement.

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

[Signature Page Follows]

After you've had an opportunity to review this Agreement, please feel free to contact me if you have any questions or comments. To indicate your acceptance of this Agreement, please sign and date this letter in the space provided below and return it to the Company.

Very truly yours,

SHUTTERSTOCK IMAGES LLC

By: /s/ Jonathan Oringer
(Signature)

Name: Jonathan Oringer

Title: Chief Executive Officer

ACCEPTED AND AGREED:

JAMES CHOU

/s/ James Chou
(Signature)

September 24, 2012
Date

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (the "***Agreement***") is made and entered into by and between James Chou ("***Executive***") and Shutterstock Images LLC (the "***Company***"), effective as of the latest date set forth by the signatures of the parties hereto below (the "***Effective Date***").

RECITALS

1. The Board of Directors of the Company (the "***Board***") recognizes that it is possible that the Company could terminate Executive's employment with the Company and from time to time the Company may consider the possibility of an acquisition by another company or other change in control transaction. The Board also recognizes that such considerations can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such a termination of employment or the occurrence of a Change in Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment with the Company and to motivate Executive to maximize the value of the Company for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment and with certain additional benefits following a Change in Control. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change in Control.

4. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

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

1. Term of Agreement. This Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, including (without limitation) any termination of employment not set forth in Section 3, Executive will not be entitled to any payments, benefits,

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damages, awards or compensation other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses or pursuant to written agreements with the Company, including equity award agreements.

3. Severance Benefits.

(a) Termination without Cause and not in Connection with a Change in Control. If the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death at any time other than during the twenty-four (24)-month period immediately following a Change in Control, then, subject to Section 4, Executive will receive the following severance benefits from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid paid time off ("***PTO***"), expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive severance in an amount equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid on the following schedule in accordance with the Company's regular payroll procedures: 1/3 as soon as practicable after the Executive's termination of employment, (y) 1/3 on the six (6) month anniversary of Executive's termination of employment, and (z) 1/3 on the one (1) year anniversary of Executive's termination of employment.

(iii) Pro-Rated Bonus Payment. Executive will receive a lump-sum severance payment equal to one hundred percent (100%) of Executive's target bonus as in effect for the fiscal year in which Executive's termination occurs, pro-rated by multiplying such bonus amount by a fraction, the numerator of which shall be the number of days from and including the first day of such fiscal year through and including the date of Executive's termination, and the denominator of which shall be three-hundred and sixty-five (365).

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. All of Executive's unvested and outstanding equity awards that would have become vested had Executive remained in the employ of the Company for the twelve (12)-month period following Executive's termination of employment shall immediately vest and

become exercisable as of the date of Executive's termination. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change in Control. If during the twenty-four (24)-month period immediately following a Change in Control, (x) the Company terminates Executive's employment with the Company for a reason other than Cause, Executive becoming Disabled or Executive's death, or (y) Executive resigns from such employment for Good Reason, then, subject to Section 4, Executive will receive the following severance benefits from the Company in lieu of the benefits described in Section 3(a) above:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid PTO, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive will receive a lump sum severance payment equal to twelve (12) months of Executive's base salary as in effect immediately prior to the date of Executive's termination of employment, less all required tax withholdings and other applicable deductions, which will be paid in accordance with the Company's regular payroll procedures.

(iii) Target Bonus Payment. Executive will receive a lump sum severance payment equal to one hundred percent (100%) of Executive's full target bonus for the fiscal year in effect at the date of such termination of employment (or, if greater, as in effect for the fiscal year in which the Change in Control occurs), less all required tax withholdings and other applicable deductions.

(iv) Continued Employee Benefits. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination or resignation) until the earlier of (A) a period of twelve (12) months from the last date of employment of Executive with the Company, or (B) the date upon which Executive and/or Executive's eligible

dependents becomes covered under similar plans. COBRA reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy and will be taxable to the extent required to avoid adverse consequences to Executive or the Company under either Code Section 105(h) or the Patient Protection and Affordable Care Act of 2010.

(v) Equity. Executive will be entitled to accelerated vesting as to one hundred percent (100%) of the then unvested portion of all of Executive's outstanding equity awards. In addition, Executive will have eighteen (18) months following any such termination of employment in which to exercise any stock options, stock appreciation rights, or similar rights to acquire Company common stock, but in no event will such equity award be permitted to be exercised beyond the earlier of the original maximum term of such equity award or ten (10) years from the original grant date of such equity award.

(vi) Outplacement Benefits. If requested by Executive, the Company will pay the expense for outplacement benefits provided by a service to be determined by the Company in its discretion for a period of six (6) months, up to a maximum dollar value of five thousand dollars ($5,000) following Executive's termination.

(vii) Payments or Benefits Required by Law. Executive will receive such other compensation or benefits from the Company as may be required by law.

(c) Disability; Death. If Executive's employment with the Company is terminated due to Executive becoming Disabled or Executive's death, then Executive or Executive's estate (as the case may be) will (i) receive the earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA). All payments under clauses (i) through (ii) above shall in all cases be made within thirty (30) days of Executive's termination of employment pursuant to this Section 3(c).

(d) Voluntary Resignation; Termination for Cause. If Executive voluntarily terminates Executive's employment with the Company (other than for Good Reason during the twenty-four (24) month period immediately following a Change of Control) or if the Company terminates Executive's employment with the Company for Cause, then Executive will (i) receive his or her earned but unpaid base salary through the date of termination of employment, (ii) receive all accrued PTO, expense reimbursements and any other benefits due to Executive through the date of termination of employment in accordance with established Company-provided or paid plans, policies and arrangements, and (iii) not be entitled to any other compensation or benefits from the Company except to the extent required by law (for example, COBRA).

(e) Timing of Payments. Subject to any specific timing provisions in Section 3(a), 3(b) or 3(c) as applicable, or the provisions of Section 4, payment of the severance and benefits hereunder shall be made or commence to be made as soon as practicable following Executive's termination of employment.

(f) Exclusive Remedy. In the event of a termination of Executive's employment with the Company, the provisions of this Section 3 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 (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable

expenses). Executive will be entitled to no other severance, benefits, compensation or other payments or rights upon a termination of employment, including, without limitation, any severance payments and/or benefits provided in the Employment Agreement, other than those benefits expressly set forth in Section 3 of this Agreement or pursuant to written equity award agreements with the Company.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company (the "***Release***"), which must become effective no later than the sixtieth (60^{th}) day following Executive's termination of employment (the "***Release Deadline***"), and if not, Executive will forfeit any right to severance payments or benefits under this Agreement. To become effective, the Release must be executed by Executive and any revocation periods (as required by statute, regulation, or otherwise) must have expired without Executive having revoked the Release. In addition, in no event will severance payments or benefits be paid or provided until the Release actually becomes effective. If the termination of employment occurs at a time during the calendar year where the Release Deadline could occur in the calendar year following the calendar year in which Executive's termination of employment occurs, then any severance payments or benefits under this Agreement that would be considered Deferred Payments (as defined in Section 4(d)(i)) will be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or such later time as required by (i) the payment schedule applicable to each payment or benefit as set forth in Section 3, (ii) the date the Release becomes effective, or (iii) Section 4(d)(ii); provided that the first payment shall include all amounts that would have been paid to Executive if payment had commenced on the date of Executive's termination of employment.

(b) Non-Solicitation, Non-Competition and Non-Disparagement. Executive agrees, to the extent permitted by applicable law, that during the period of Executive's employment and for the twelve (12)-month period immediately following the date of Executive's termination (the "***Restrictive Period***"), Executive, as a condition to receipt of severance pay and benefits under Sections 3(a) and 3(b), shall not:

(i) without the prior written consent of the Company, directly or indirectly, (x) employ or assist any other Person in employing any individual, as an employee or independent contractor (other than for the Company), or (y) induce or solicit for employment, as an employee or independent contractor, or assist any other Person in inducing or soliciting for employment (other than for the Company), as an employee or independent contractor, any individual who, in each case, is or was at any time during such Restrictive Period, or during the one (1) year period preceding the date of Executive's termination of employment, an employee or independent contractor of the Company Group;

(ii) except in the performance of his responsibilities for the Company, directly or indirectly, solicit, contact or deal with any Person that was a supplier, customer or client of the Company Group at any time during the Restrictive Period or the one (1) year period preceding the date of Executive's termination of employment for the purpose of (x) providing to, or obtaining from, such supplier, customer or client goods or services in competition with the goods or services provided to or by the Company Group or its successors or assigns, (y) inducing or encouraging them to acquire or obtain from anyone other than the Company Group, goods or services in competition with goods or services provided by the Company Group or (z) inducing or encouraging them to provide goods or services in competition with the goods or services provided by the Company Group, to any other Person or entity;

(iii) (x) engage in the Business within the Territory (as defined below); (y) engage or assist any Person (whether in a financial, managerial, employment, advisory or other capacity or as a stockholder or owner, or by the provision of information) to engage in a business or business activities similar to or in competition with the Business within the Territory; or (z) own any interest in or organize a corporation, partnership or other business or organization which engages in a business or business activities similar to or in competition with the Business within the Territory. The restrictions contained in this Section 4(b)(iii) shall not apply to ownership by Executive of less than a five percent (5%) interest in any publicly-traded company, provided that Executive does not otherwise breach the terms of this Section 4 or the Employment Agreement, and further provided that Executive discloses such ownership interest to the Company simultaneously with the execution hereof or within five (5) days of acquiring same, as applicable; or

(iv) engage in any conduct that is materially injurious to the reputation and interest of the Company Group, including but not limited to, disparaging, inducing or encouraging others to disparage the Company Group.

In the event Executive violates the provisions of this Section 4(b), all severance pay and other benefits to which Executive may otherwise be entitled pursuant to Section 3(a) or 3(b) shall cease immediately. The covenant contained in this Section 4(b) hereof shall be construed as a series of separate covenants, one for each country, province, state, city or other political subdivision in which the Company currently engages in its business or, during the term of this Agreement, becomes engaged in its business. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this Section 4(b). If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 4(b) are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, permitted by applicable law.

(c) Confidential Information.

(i) Executive has had and will have access to certain valuable, highly confidential, privileged and proprietary information related to the Business, including, without limitation, information pertaining to the Company Group's operations, customer and supplier lists,

pricing information, cost structure, trade secrets, intellectual property, marketing information, business plans and financial and other information regarded by the Company Group as proprietary and confidential information (collectively, the "***Confidential Information***"). Confidential Information includes all information that has or could have commercial value or other utility in the business in which the Company Group is engaged or in which it contemplates engaging, and all information of which the unauthorized disclosure is or could be detrimental to the interests of the Company Group; provided, however, that Confidential Information shall not and does not include any information or material (x) publicly known or generally available in the trade or business, or is or becomes generally available to the public or trade other than as a result of a wrongful disclosure by (1) Executive (or by another Person at the direction of Executive) or (2) any Person bound by a duty of confidentiality or similar duty owed to the Company Group; (y) to the extent that such information or material is filed with any Governmental Authority on a nonconfidential basis; or (z) to the extent that such information or material is subject to a subpoena, summons or other legal process; provided, however, that Executive shall immediately give the Company notice of the circumstances surrounding such compelled disclosure requests, consult with the Company on the advisability of taking legally available steps to resist or narrow such compelled disclosure requests and reasonably cooperate with the

Company in the pursuant of any such legally available steps, and assist the Company in seeking a protective order with respect thereto, including, by way of example but not of limitation, allowing the Company time to seek such protective order (the Company will reimburse Executive for any reasonable expenses incurred in providing such assistance and shall pay Executive a reasonable consulting fee for such assistance if Executive is no longer employed by the Company).

(ii) Executive's receipt of any payments or benefits under Section 3 will be subject to Executive agreeing to keep secret and retain in strictest confidence all Confidential Information during his period of employment with the Company and at any time thereafter. Specifically, Executive shall not, without the prior written consent of the Company, directly or indirectly: (x) communicate, divulge, disclose, furnish or make accessible to any Person, whether or not in competition with the Company Group, and whether or not for pecuniary gain, any aspect of the Confidential Information, or (y) reproduce or recreate any Confidential Information. Notwithstanding any other term in this Agreement, Executive may reproduce, recreate and disclose the Company's Confidential Information, and proprietary information and trade secrets in the good faith performance of his job responsibilities. Upon the request by the Company, Executive shall return all documents and other tangible items containing Confidential Information to the Company, without retaining any copies, notes or excerpts thereof.

(d) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation not exempt under Section 409A (together, the "***Deferred Payments***") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. And for purposes of this Agreement, any reference to "termination of employment," "termination" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A

pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination of employment (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment, installment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(iii) Without limitation, any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations is not intended constitute to Deferred Payments for purposes of clause (i) above

(iv) Without limitation, any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit is not intended to constitute Deferred Payments for purposes of clause (i) above. Any payment intended to qualify under this exemption must be made within the allowable time period specified in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations.

(v) To the extent that reimbursements or in-kind benefits under this Agreement constitute non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (1) all reimbursements hereunder shall be made on or prior to the last day of the calendar year following the calendar year in which the expense was incurred by Executive, (2) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (3) the amount of expenses eligible for reimbursement or in-kind benefits provided in any calendar year shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided, in any other calendar year.

(vi) Any tax gross-up that Executive is entitled to receive under this Agreement or otherwise shall be paid to Executive no later than December 31 of the calendar year following the calendar year in which Executive remits the related taxes.

(vii) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(viii) The payments and benefits provided under Sections 3(a) and 3(b) are intended to be exempt from or comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

5. Limitation on Payments.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax; or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment. Any reduction made pursuant to this Section 5(a) shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("***Underwater Options***") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit

Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). "***Full Credit Payment***" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax. "***Partial Credit Payment***" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(b) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by an independent firm (the "***Firm***"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 5. The Company will bear all

costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5.

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

(a) Business. "***Business***" means (i) the business relating to the collection, sale, distribution and marketing of stock photography and/or stock video footage and (ii) any additional business engaged in by the Company at the time of Executive's termination of employment pursuant to which the Company derives at least two percent (2%) of its annual gross revenues as of such date.

(b) Cause. "***Cause***" means:

(i) Executive's gross negligence or willful misconduct in the performance of his or her duties and responsibilities to the Company or Executive's violation of any written Company policy;

(ii) Executive's commission of any act of fraud, theft, embezzlement, financial dishonesty or any other willful misconduct that has caused or is reasonably expected to result in injury to the Company;

(iii) Executive's conviction of, or pleading guilty or *nolo contendre* to, any felony or a lesser crime involving dishonesty or moral turpitude;

(iv) Executive's alcohol abuse or other substance abuse;

(v) Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of his or her relationship with the Company; or

(vi) Executive's material breach of any of his or her obligations under any written agreement or covenant with the Company.

(c) Change in Control. "***Change in Control***" means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in

substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 6(c)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 6(c)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Company's Board of the Directors (the "***Board***") is replaced during any twelve (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, if any person (as defined below in Section 6(c)(iv)) 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

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of clauses (iii) and (iv) of this Section 6(c), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or 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 transactions. For the avoidance of doubt, an initial public offering of the common stock of the Company shall not constitute a Change in Control for purposes of this Agreement.

(d) Company Group. "***Company Group***" means the Company and its direct and indirect subsidiaries.

(e) Code. "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) Disability. "***Disability***" or "***Disabled***" means that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or

mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one (1) year.

(g) Good Reason. "***Good Reason***" means Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence, without Executive's consent, of one or more of the following:

(i) A material reduction of Executive's duties, authority or responsibilities, relative to Executive's duties, authority or responsibilities in effect immediately prior to such reduction; provided, however, that not being named the Chief Technology Officer of the acquiring corporation following a Change in Control of the Company will not constitute Good Reason;

(ii) A material reduction in Executive's base compensation (except where there is a reduction applicable to all similarly situated executive officers generally); provided, that a reduction of less than ten percent (10%) will not be considered a material reduction in base compensation;

(iii) A material change in the geographic location of Executive's primary work facility or location; provided, that a relocation of less than thirty-five (35) miles from Executive's then-present work location will not be considered a material change in geographic location; or

(iv) A material breach by the Company of a material provision of this Agreement.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice during which such condition must not have been cured.

(h) Governmental Authority. "***Governmental Authority***" means any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

(i) Person. "***Person***" shall be construed in the broadest sense and means and includes any natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and other entity or Governmental Authority

(j) Section 409A. "***Section 409A***" means Code Section 409A, and the final regulations and any guidance promulgated thereunder or any state law equivalent.

(k) Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding Executive's taxable year of his or her separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal

Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Executive's separation from service occurred.

(l) Territory. "***Territory***" means the United States of America and other jurisdictions where the Company transacts business as of the date of Executive's termination of employment.

7. Successors.

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

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

8. Arbitration.

(a) Arbitration. In consideration of Executive's employment with the Company, its promise to arbitrate all employment-related disputes, and Executive's receipt of the compensation, pay raises and other benefits paid to Executive by the Company, at present and in the future, Executive agrees that any and all controversies, claims, or disputes with anyone (including the Company and any employee, officer, director, shareholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive's employment with the Company or termination thereof, including any breach of this Agreement, will be subject to binding arbitration under the Article 75 of the Civil Practice Law and Rules of the NY Code (the "***Act***"), and pursuant to New York law. The Federal Arbitration Act shall also apply with full force and effect, notwithstanding the application of procedural rules set forth under the Act.

(b) Dispute Resolution. **Disputes that Executive agrees to arbitrate, and thereby agrees to waive any right to a trial by jury, include any statutory claims under local, state, or federal law**, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes Oxley Act, the Worker Adjustment and Retraining Notification Act, the New York State Human Rights Law, New York Equal Rights Law, New York Whistleblower Protection Law, New York Family Leave Law, New York Equal Pay Law, the New York City Human Rights Law,, claims of harassment, discrimination, and

wrongful termination, and any statutory or common law claims. Executive further understands that this agreement to arbitrate also applies to any disputes that the Company may have with Executive.

(c) Procedure. Executive agrees that any arbitration will be administered by the Judicial Arbitration & Mediation Services, Inc. ("***JAMS***"), pursuant to its Employment Arbitration Rules & Procedures (the "***JAMS Rules***"). The arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The arbitrator shall have the power to award any remedies available under applicable law, and the arbitrator shall award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the administrator or JAMS, and all arbitrator's fees, except that Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law. Executive agrees that the arbitrator shall administer and conduct any arbitration in accordance with New York law, and that the arbitrator shall apply substantive and procedural New York law to any dispute or claim, without reference to the rules of conflict of law. To the extent that the JAMS Rules conflict with New York law, New York law shall take precedence. The decision of the arbitrator shall be in writing. Any arbitration under this Agreement shall be conducted in New York County, New York.

(d) Remedy. Except as provided by the Act, arbitration shall be the sole, exclusive, and final remedy for any dispute between Executive and the Company. **Accordingly, except as provided by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration**. Notwithstanding, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator will not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

(e) Administrative Relief. Executive is not prohibited from pursuing an administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. However, Executive may not pursue court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Executive acknowledges and agrees that Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that ***EXECUTIVE IS WAIVING EXECUTIVE'S RIGHT TO A JURY TRIAL***. Finally, Executive agrees that Executive has been provided an opportunity to seek the advice of an attorney of Executive's choice before signing this Agreement.

9. Confidential Information. Executive agrees to continue to comply with and be bound by the Employee Non-Disclosure Agreement (the "***Employee Non-Disclosure Agreement***") entered into by and between Executive and the Company.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its General Counsel.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice), subject to any applicable cure period. The failure by Executive or the Company to include in the notice any fact or circumstance which contributes to a showing of Good Reason or Cause, as applicable, will not waive any right of Executive or the Company, as applicable, hereunder or preclude Executive or the Company, as applicable, from asserting such fact or circumstance in enforcing his or her or its rights hereunder, as applicable.

11. Miscellaneous Provisions.

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

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

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

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior or contemporaneous representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. Executive acknowledges and agrees

that this Agreement encompasses all the rights of Executive to any severance payments and/or benefits based on the termination of Executive's employment and Executive hereby agrees that he or she has no such rights except as stated herein. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. This Agreement does not supersede Executive's Employment Agreement, except with respect to the subject matter hereof, or the Employee Non-Disclosure Agreement.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of New York without giving effect to provisions governing the choice of law.

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

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes, as determined in the Company's reasonable judgment.

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

[Signature Page to Follow]

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

COMPANY

SHUTTERSTOCK IMAGES LLC

By: /s/ Jonathan Oringer

Title: CEO

Date: September 24, 2012

EXECUTIVE

JAMES CHOU

By: /s/ James Chou

Date: September 24, 2012

Exhibit 10.12

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of September 21, 2012 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation, having a loan production office located at 275 Grove Street, Suite 2-200, Newton, Massachusetts 02466 ("**Bank**"), and **SHUTTERSTOCK IMAGES LLC**, a New York limited liability company, having a mailing address of 60 Broad Street, 30th Floor, New York, New York 10004 ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of the Term Loan and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Term Loan.

(a) Availability. Bank shall make one (1) term loan available to Borrower in an amount up to the Term Loan Amount on the Effective Date, subject to the satisfaction of the terms and conditions of this Agreement.

(b) Repayment. Commencing on the first Interest Payment Date after the Effective Date, and on each Interest Payment Date thereafter through and including the Term Loan Maturity Date, Borrower shall make payments of interest to Bank on the outstanding principal balance of the Term Loan, in arrears, calculated as set forth in Section 2.3. Borrower shall repay the outstanding principal balance of the Term Loan in one (1) installment on the Term Loan Maturity Date. All outstanding principal of the Term Loan and accrued and unpaid interest thereon shall be due and payable on the Term Loan Maturity Date. Once repaid, the Term Loan may not be reborrowed.

(c) Prepayment. Borrower shall have the option to prepay all of the Term Loan or any portion thereof in the minimum principal amount of $100,000 and increments thereof without prepayment fee, premium or penalty, provided that Borrower (i) provides written notice to Bank of its election to prepay the Term Loan at least three (3) Business Days prior to such prepayment, and (ii) pays to Bank on the date of such prepayment an amount equal to the sum of (A) the principal of the Term Loan being prepaid plus accrued interest thereon through the prepayment date, plus (B) all other sums, that shall have become due and payable, including Bank Expenses.

2.2 Reserved.

2.3 Payment of Interest on the Term Loan.

(a) Interest Rate. Subject to Sections 3.3 through 3.5, the Term Loan may be borrowed, at the option of the Borrower, in whole or in part, as LIBOR Loans or Prime Rate Loans. Subject to Section 2.3(c), (i) each LIBOR Loan shall bear interest for each day during each Interest Period with respect thereto at a floating per annum rate equal to two percentage points (2.00%) above the LIBOR Rate, and (ii) each Prime Rate Loan shall bear interest at a floating per annum rate equal to three-quarters of one percentage point (0.75%) *below* the Prime Rate. Interest on the outstanding principal amount advanced hereunder shall begin to accrue on the Funding Date.

(b) Reserved.

(c) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is two percentage points (2.00%) above the rate that is otherwise applicable thereto (the "**Default Rate**") unless Bank otherwise elects from time to time in its sole discretion to impose a smaller increase. Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(d) Adjustment to Interest Rate. (i) Changes to the interest rate of the Term Loan based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change; and (ii) the interest rate applicable to each LIBOR Loan shall be determined in accordance with Section 3.5(a) hereunder. Subject to Sections 3.3 through 3.5, such rate shall apply during the entire Interest Period applicable to such LIBOR Loan, and interest calculated thereon shall be payable on the Interest Payment Date applicable to such LIBOR Loan.

(e) Computation; 360-Day Year. In computing interest, the date of the making of the Term Loan shall be included and the date of payment shall be excluded; *provided*, *however*, that if the Term Loan is repaid on the same day on which it is made, such day shall be included in computing interest thereon. Interest on the Term Loan and all fees payable hereunder shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(f) Debit of Accounts. Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.4 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of Thirty Thousand Dollars ($30,000.00), on the Effective Date; and

(b) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.5 Payments; Application of Payments. All payments (including prepayments) to be made by Borrower under any Loan Document shall be made in immediately available funds in U.S. Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to the Term Loan. Bank's obligation to fund the Term Loan is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, the following documents, and completion of the following matters and the following conditions precedent:

(a) duly executed original signatures to the Loan Documents;

(b) duly executed original Notice of Borrowing;

(c) duly executed original signatures to the Control Agreement by and between the Borrower, Bank and HSBC Bank USA, National Association.

(d) Borrower's Operating Documents and a good standing certificate of Borrower certified by the Secretary of State of the State of New York as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) Secretary's Certificate with completed Borrowing Resolutions for Borrower;

(f) certified copies, dated as of a recent date, of financing statement searches, as Bank shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the Term Loan, will be terminated or released;

(g) Perfection Certificate of Borrower and each Guarantor, together with the duly executed original signature thereto;

(h) a landlord's consent in favor of Bank for 60 Broad Street, 30th Floor, New York, New York 10004 by the respective landlord thereof, together with the duly executed original signatures thereto;

(i) a bailee's waiver in favor of Bank from Internap Boston (with respect to 50 Innerbelt Road, Somerville, Massachusetts 02143, Internap Dallas (with respect to 1221 Coit Road, Plano, Texas 75075) and Internap Seattle (with respect to 3355 S. 120th Place, Seattle, Washington 98168), together with the duly executed original signatures thereto;

(j) legal opinion of Borrower's counsel dated as of the Effective Date together with the duly executed original signature thereto;

(k) duly executed original signatures to the Guaranty, together with Secretary's Certificate/duly executed original signatures to the completed Borrowing Resolutions for Guarantor;

(l) evidence satisfactory to Bank that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank;

(m) evidence satisfactory to Bank that the Borrower is in compliance with the minimum EBITDA financial covenant set forth in Section 6.7(b) for the most recent quarter end period;

(n) payment of the fees and Bank Expenses then due as specified in Section 2.4 hereof;

(o) timely receipt of an executed Notice of Borrowing;

(p) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Payment/Advance Form and on the Funding Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Term Loan. The Term Loan is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(q) in Bank's sole discretion, there has not been a Material Adverse Change, or any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank.

3.2 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to the Term Loan. Borrower expressly agrees that if the Term Loan is made prior to the receipt by Bank of any such item, it shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of the Term Loan in the absence of a required item shall be in Bank's sole discretion.

3.3 Conversion and Continuation Elections.

(a) So long as (i) no Event of Default or Default exists; (ii) Borrower shall not have sent any notice of termination of this Agreement; and (iii) Borrower shall have complied with such customary procedures as Bank has established from time to time for Borrower's requests for LIBOR Loans, Borrower may, upon irrevocable written notice to Bank:

(1) elect to convert on any Business Day, Prime Rate Loans, in an amount equal to $100,000 or any integral multiple of $100,000 in excess thereof, into LIBOR Loans;

(2) elect to continue on any Interest Payment Date any LIBOR Loans maturing on such Interest Payment Date (or any part thereof in an amount equal to $100,000 or any integral multiple of $100,000 in excess thereof); provided, that if the aggregate amount of LIBOR Loans shall have been reduced, by payment, prepayment, or conversion of part thereof, to be less than $100,000, such LIBOR Loans shall automatically convert into Prime Rate Loans, and on and after such date the right of Borrower to continue such Loans as, and convert such Loans into, LIBOR Loans shall terminate; or

(3) elect to convert on any Interest Payment Date any LIBOR Loans maturing on such Interest Payment Date (or any part thereof in an amount equal to $100,000 or any integral multiple of $100,000 in excess thereof) into Prime Rate Loans.

(b) Borrower shall deliver a Notice of Conversion/Continuation in accordance with Section 10 to be received by Bank prior to 12:00 p.m. (Eastern time) (i) at least three (3) Business Days in advance of the Conversion Date or Continuation Date, if any Loans are to be converted into or continued as LIBOR Loans; and (ii) on the Conversion Date, if any Loans are to be converted into Prime Rate Loans, in each case specifying the:

(1) proposed Conversion Date or Continuation Date;

(2) aggregate amount and Type of the Loans to be converted or continued;

(3) nature of the proposed conversion or continuation; and

(4) duration of the requested Interest Period.

(c) all borrowings, conversions and continuations of LIBOR Loans and all selections of Interest Periods shall be made pursuant to such elections so that, (i) after giving effect thereto, the aggregate principal amount of the LIBOR Loans comprising each LIBOR Tranche shall be equal to $100,000 or any integral multiple of $100,000 in excess thereof and (ii) no more than five (5) LIBOR Tranches shall be outstanding at any one time.

(d) If upon the expiration of any Interest Period applicable to any LIBOR Loans, Borrower shall have timely failed to select a new Interest Period to be applicable to such LIBOR Loans, Borrower shall be deemed to have elected to convert such LIBOR Loans into Prime Rate Loans.

(e) Any LIBOR Loans shall, at Bank's option, convert into Prime Rate Loans in the event that an Event of Default or Default shall exist. Borrower agrees to pay Bank, upon demand by Bank (or Bank may, at its option, charge the Designated Deposit Account or any other account Borrower maintains with Bank) any amounts required to compensate Bank for any loss (including loss of anticipated profits), cost, or expense incurred by Bank, as a result of the conversion of LIBOR Loans to Prime Rate Loans pursuant to this Section 3.3.

(f) Notwithstanding anything to the contrary contained herein, Bank shall not be required to purchase Dollar deposits in the London interbank market or other applicable LIBOR Base Rate market to fund any LIBOR Loans, but the provisions hereof shall be deemed to apply as if Bank had purchased such deposits to fund the LIBOR Loans.

3.4 Special Provisions Governing LIBOR Loans.

Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall govern with respect to LIBOR Loans as to the matters covered:

(a) Determination of Applicable Interest Rate. As soon as practicable on each Interest Rate Determination Date, Bank shall determine (which determination shall, absent manifest error in calculation, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower.

(b) Inability to Determine Applicable Interest Rate. In the event that Bank shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBOR Loans, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Loan on the basis provided for in the definition of LIBOR Base Rate, Bank shall on such date give notice (by facsimile or by telephone confirmed in writing) to Borrower of such determination, whereupon (i) no LIBOR Loans may be made as, or converted to, LIBOR Loans until such time as Bank notifies Borrower that the circumstances giving rise to such notice no longer exist, and (ii) any Notice of Borrowing or Notice of Conversion/Continuation given by Borrower with respect to LIBOR Loans in respect of which such determination was made shall be deemed to be rescinded by Borrower.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. Borrower shall compensate Bank, upon written request by Bank (which request shall set forth the manner and method of computing such compensation), for all reasonable losses, expenses and liabilities, if any (including any interest paid by Bank to lenders of funds borrowed by it to make or carry its LIBOR Loans and any loss, expense or liability incurred by Bank in connection with the liquidation or re-employment of such funds) such that Bank may incur: (i) if for any reason (other than a default by Bank or due to any failure of Bank to fund LIBOR Loans due to impracticability or illegality under Sections 3.5(d) and 3.5(e)) a borrowing or a conversion to or continuation of any LIBOR Loan does not occur on a date specified in a Notice of Borrowing or a Notice of Conversion/Continuation, as the case may be, or (ii) if any principal payment or any conversion of any of its LIBOR Loans occurs on a date prior to the last day of an Interest Period applicable to such LIBOR Loan.

(d) Assumptions Concerning Funding of LIBOR Loans. Calculation of all amounts payable to Bank under this Section 3.4 and under Section 3.5 shall be made as though Bank had actually funded each of its relevant LIBOR Loans through the purchase of a LIBOR deposit bearing interest at the rate obtained

pursuant to the definition of LIBOR Rate in an amount equal to the amount of such LIBOR Loans and having a maturity comparable to the relevant Interest Period; provided, that Bank may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 3.4 and under Section 3.5.

(e) LIBOR Loans after Default. After the occurrence and during the continuance of an Event of Default, (i) Borrower may not elect to have any LIBOR Loan be made or continued as, or converted into, a LIBOR Loan after the expiration of any Interest Period then in effect for such LIBOR Loan and (ii) subject to the provisions of Section 3.5(c), any Notice of Conversion/Continuation given by Borrower with respect to a requested conversion/continuation that has not yet occurred shall be deemed to be rescinded by Borrower and be deemed a request to convert or continue Loans referred to therein as Prime Rate Loans.

3.5 Additional Requirements/Provisions Regarding LIBOR Loans.

(a) If for any reason (including acceleration), Bank receives all or part of the principal amount of a LIBOR Loan prior to the last day of the Interest Period for such LIBOR Loan, Borrower shall immediately notify Borrower's account officer at Bank and, on demand by Bank, pay Bank the amount (if any) by which (i) the additional interest which would have been payable on the amount so received had it not been received until the last day of such Interest Period exceeds (ii) the interest which would have been recoverable by Bank by placing the amount so received on deposit in the certificate of deposit markets, the offshore currency markets, or United States Treasury investment products, as the case may be, for a period starting on the date on which it was so received and ending on the last day of such Interest Period at the interest rate determined by Bank in its reasonable discretion. Bank's determination as to such amount shall be conclusive absent manifest error.

(b) Borrower shall pay Bank, upon demand by Bank, from time to time such amounts as Bank may determine to be necessary to compensate it for any costs incurred by Bank that Bank determines are attributable to its making or maintaining of any amount receivable by Bank hereunder in respect of any LIBOR Loans relating thereto (such increases in costs and reductions in amounts receivable being herein called "**Additional Costs**"), in each case resulting from any regulatory change which:

(i) changes the basis of taxation of any amounts payable to Bank under this Agreement in respect of any LIBOR Loans (other than changes which affect taxes measured by or imposed on the overall net income of Bank by the jurisdiction in which Bank has its principal office);

(ii) imposes or modifies any reserve, special deposit or similar requirements relating to any extension of credit or other assets of, or any deposits with, or other liabilities of Bank (including any LIBOR Loans or any deposits referred to in the definition of LIBOR Base Rate); or

(iii) imposes any other condition affecting this Agreement (or any of such extension of credit or liabilities).

(c) Bank will notify Borrower of any event occurring after the Effective Date which will entitle Bank to compensation pursuant to this Section 3.5 as promptly as practicable after it obtains knowledge thereof and determines to request such compensation. Bank will furnish Borrower with a statement setting forth the basis and amount of each request by Bank for compensation under this Section 3.5. Determinations and allocations by Bank for purposes of this Section 3.5 of the effect of any regulatory change on its costs of maintaining its obligations to make LIBOR Loans, of making or maintaining LIBOR Loans, or on amounts receivable by it in respect of LIBOR Loans, and of the additional amounts required to compensate Bank in respect of any Additional Costs, shall be conclusive absent manifest error.

(d) If Bank shall determine that the adoption or implementation of any applicable law, rule, regulation, or treaty regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by Bank (or its applicable lending office) with any respect or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on capital of Bank or any person or entity controlling Bank ("**Bank's Parent**") as a consequence of its obligations hereunder to a level below that which Bank (or Bank's Parent) could have achieved but for such adoption, change, or compliance (taking into consideration policies with respect to capital adequacy) by an amount deemed by Bank to be material, then from time to time, within fifteen (15) days after demand by Bank, Borrower shall pay to Bank such additional amount or amounts as will compensate Bank for such reduction. A statement of Bank claiming compensation under this Section 3.5(d) and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error.

(e) If, at any time, Bank, in its reasonable discretion, determines that (i) the amount of LIBOR Loans for periods equal to the corresponding Interest Periods are not available to Bank in the offshore currency interbank markets, or (ii) the LIBOR Base Rate does not accurately reflect the cost to Bank of lending the LIBOR Loans, then Bank shall promptly give notice thereof to Borrower. Upon the giving of such notice, Bank's obligation to make the LIBOR Loans shall terminate; provided, however, LIBOR Loans shall not terminate if Bank and Borrower agree in writing to a different interest rate applicable to LIBOR Loans.

(f) If it shall become unlawful for Bank to continue to fund or maintain any LIBOR Loans, or to perform its obligations hereunder, upon demand by Bank, Borrower shall prepay the LIBOR Loans in full with accrued interest thereon and all other amounts payable by Borrower hereunder (including, without limitation, any amount payable in connection with such prepayment pursuant to Section 3.5(a)). Notwithstanding the foregoing, to the extent a determination by Bank as described above relates to a LIBOR Loan then being requested by Borrower pursuant to a Notice of Borrowing or a Notice of Conversion/Continuation, Borrower shall have the option, subject to the provisions of Section 3.4(c), to (i) rescind such Notice of Borrowing or Notice of Conversion/Continuation by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such rescission on the date on which Bank gives notice of its determination as described above, or (ii) modify such Notice of Borrowing or Notice of Conversion/Continuation to obtain a Prime Rate Loan or to have outstanding LIBOR Loans converted into or continued as Prime Rate Loans by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such modification on the date on which Bank gives notice of its determination as described above.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that expressly have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are satisfied in full, and at such time, Bank shall, at Borrower's sole cost and expense, terminate its security interest in the Collateral and all rights therein shall revert to Borrower. In the event (a) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (b) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding letters of credit, Borrower shall provide to Bank cash collateral in an amount equal to 105% (110% for such letters of credit denominated in a currency other than Dollars) of the Dollar Equivalent of the face amount of all such letters of credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such letters of credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that expressly have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower and each of its Subsidiaries is duly existing and in good standing in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower and each Guarantor, respectively, entitled "Perfection Certificate". Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect, or (v) constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, has rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no deposit accounts other than (i) the deposit accounts with Bank, (ii) the deposit accounts, if any, described in the Perfection Certificate delivered to Bank in connection herewith, or (iii) the deposit accounts of which Borrower has given Bank notice and taken such actions as are necessary to give Bank a perfected security interest therein.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. Without the prior consent of the Bank, none of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2. In the event that Borrower, after the date hereof, intends to store or otherwise deliver any portion of the Collateral to a bailee, then Borrower will first receive the written consent of Bank and such bailee must execute and deliver a bailee agreement in form and substance satisfactory to Bank in its reasonable determination after consultation with Borrower.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Reserved.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, One Hundred Thousand Dollars ($100,000.00).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Government Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries; Investments. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower, except for certain non-income taxes consisting of international consumption taxes, sales and use taxes, and royalty withholding obligations as described on Schedule 5.9 hereto for which adequate reserves have been established on Borrower's financial books and records. Borrower may defer payment of any contested taxes, provided that Borrower (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Bank in writing of the commencement of, and any material development in, the proceedings, (c) posts bonds or takes any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien". Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Term Loan solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, with all laws, ordinances and regulations to which it is subject, noncompliance with which could have a material adverse effect on Borrower's business.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Deliver to Bank:

(a) Quarterly Financial Statements. As soon as available, but no later than forty five (45) days after the last day of each fiscal quarter of Borrower, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such quarter certified by a

Responsible Officer and in a form acceptable to Bank (the "**Quarterly Financial Statements**");

(b) Compliance Certificate. Together with the Quarterly Financial Statements and Annual Audited Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank shall reasonably request;

(c) Annual Audited Financial Statements. As soon as available, but no later than one hundred fifty (150) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank (the "**Annual Audited Financial Statements**");

(d) Other Statements. Within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's public security holders or to any holders of Subordinated Debt;

(e) SEC Filings. In the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the

functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address;

(f) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could be reasonably expected to result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, One Hundred Thousand Dollars ($100,000) or more;

(g) Intellectual Property Notice. Prompt written notice of (i) any material change in the composition of the Intellectual Property, (ii) the registration of any copyright, including any subsequent ownership right of Borrower in or to any copyright, patent or trademark not previously disclosed in writing to Bank, and (iii) Borrower's knowledge of an event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property;

(h) Annual Operating Budget. As soon as available, but no later than sixty (60) days after the end of each fiscal year of Borrower, (i) the annual operating budget (including income statements, balance sheets and cash flow statements, by quarter) for the upcoming fiscal year of Borrower as approved by Borrower's board of directors, and (ii) the annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections; and

(i) Other Financial Information. Other financial information reasonably requested by Bank.

6.3 Reserved.

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance. Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee and waive subrogation against Bank and shall provide that the insurer must give Bank at least twenty (20) days notice before canceling, amending, or declining to renew its policy. All liability policies shall show, or have endorsements showing, Bank as an additional insured, and all such policies (or the loss payable and additional insured endorsements) shall provide that the insurer shall give Bank at least twenty (20) days notice before canceling, amending, or declining to renew its policy. At Bank's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Bank's option, be payable to Bank on account of the Obligations. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Bank deems prudent.

6.6 Operating Accounts.

(a) Maintain the Designated Deposit Account with Bank.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.7 Financial Covenant. Borrower shall comply with the following financial covenant, to be tested on a consolidated basis with respect to Borrower and its Subsidiaries as of the last day of each fiscal quarter:

(a) EBITDA. Achieve, as of the last day of each quarterly period, measured on a trailing twelve (12) month basis, minimum EBITDA of at least Twenty Million Dollars ($20,000,000.00).

6.8 Protection and Registration of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering or becoming bound by any material Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank reasonably requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower or the Loan Documents.

6.10 Reserved.

6.11 Reserved.

6.12 Access to Collateral; Books and Records. Allow Bank, or its agents, to inspect the Collateral and audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing. The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be $850 per person per day (or such amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of $1,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.13 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower or any Guarantor forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, Borrower and such Guarantor shall (a) cause such new Subsidiary to provide to Bank either (i) a joinder to this Agreement causing such Subsidiary to become a co-borrower hereunder, or (ii) a Guaranty, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Bank, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.13 shall be a Loan Document.

6.14 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment; (c) in connection with Permitted Liens and Permitted Investments; and (d) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States.

7.2 Changes in Business, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new office or business location, including any warehouse (unless such new office or business location contains less than Two Hundred Fifty Thousand Dollars ($250,000) in Borrower's assets or property and all such new offices or business locations contain less than Five Hundred Thousand Dollars ($500,000) in Borrower's assets or property in the aggregate) or deliver any portion of the Collateral valued in excess of Two Hundred Fifty Thousand Dollars ($250,000) for any location or Five Hundred Thousand Dollars ($500,000) in the aggregate for all locations) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) for any location or Five Hundred Thousand Dollars ($500,000) in the aggregate for all locations) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall promptly execute and deliver a bailee agreement in form and substance satisfactory to Bank in its sole discretion.

7.3 **Mergers or Acquisitions**. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 **Indebtedness**. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 **Encumbrance**. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein,or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 **Maintenance of Collateral Accounts**. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 **Distributions; Investments**. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, except Permitted Dividends; or (b) directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 **Transactions with Affiliates**. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 **Subordinated Debt**. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 **Compliance**. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of the Term Loan for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 **Payment Default**. Borrower fails to (a) make any payment of principal or interest on the Term Loan on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are

due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date);

8.2 **Covenant Default**.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.5, 6.6, 6.7, 6.8(b), 6.13 or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default. Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 **Material Adverse Change**. A Material Adverse Change occurs.

8.4 **Attachment; Levy; Restraint on Business**.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary) on deposit or otherwise maintained with Bank or any Bank Affiliate, or (ii) a notice of lien or levy is filed against any of Borrower's assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting any material part of its business;

8.5 **Insolvency** (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed within forty-five (45) days;

8.6 **Other Agreements**. There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000); or (b) any default by Borrower or Guarantor , the result of which could have a material adverse effect on Borrower's or any Guarantor's business;

8.7 **Judgments**. One or more final judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars ($500,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower and the same are not, within ten (10) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay;

8.8 **Misrepresentations**. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 **Subordinated Debt**. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement;

8.10 **Guaranty**. (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, (d) the liquidation, winding up, or termination of existence of any Guarantor; or (e) (i) a material impairment in the perfection or priority of Bank's Lien in the collateral provided by Guarantor or in the value of such collateral or (ii) a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment of the Obligations occurs with respect to any Guarantor; or

8.11 **Governmental Approvals.** Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) has, or could reasonably be expected to have, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 **Rights and Remedies**. While an Event of Default occurs and continues Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) for any letters of credit issued by Bank for the account of Borrower, demand that Borrower (i) deposit cash with Bank in an amount equal to 105% (110% for any such letters of credit denominated in a currency other than Dollars) of the Dollar Equivalent of the aggregate face amount of all such letters of credit remaining undrawn plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such letters of credit, as collateral security for the repayment of any future drawings under such letters of credit, and Borrower shall forthwith deposit and pay such amounts; and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any such letters of credit; provided, however, if an Event of Default described in Section 8.5 occurs, the obligation of Borrower to cash collateralize all such letters of credit remaining undrawn shall automatically become effective without any action by Bank;

(d) terminate any foreign exchange forward contracts;

(e) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, notify any Person owing Borrower money of Bank's security interest in such funds, and verify the amount of such account;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and

make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank may apply any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations in such order as Bank shall determine in its sole discretion. Any surplus shall be paid to Borrower or other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, in its good faith business judgment, directly or indirectly enters into a deferred payment or

other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Shutterstock Images LLC
60 Broad Street, 30th Floor
New York, New York 10004
Attn: Daniel Rootenberg and Michael Lesser
Fax: (646) 449-6039
Email: drootenberg@shutterstock.com and mclesser@shutterstock.com

With a copy to: Orrick, Herrington and Sutcliffe LLP

51 West 52nd Street
New York, NY 10019
Attn: William S. Haft
Fax: (212) 506-5151
email: whaft@orrick.com

If to Bank: Silicon Valley Bank
275 Grove Street, Suite 2-200
Newton, Massachusetts 02466
Attn: Phil Silvia, Vice President
Fax: (617) 527-0177
Email: psilvia@svb.com

with a copy to: Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: Charles W. Stavros, Esquire
Fax: (617) 880-3441
Email: cstavros@riemerlaw.com

11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

12 GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "Indemnified Person") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "Claims") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower contemplated by the Loan Documents (including reasonable attorneys' fees and expenses),

except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 Correction of Loan Documents. Bank, upon notice to Borrower, may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.6 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents

represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and satisfied. Without limiting the foregoing, except as otherwise provided in Section 4.1, the grant of security interest by Borrower in Section 4.1 shall survive until the termination of all Bank Services Agreements. The obligation of Borrower in Section 12.2 to indemnify Bank shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Term Loan (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, applicable stock exchange requirements, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain after disclosure to Bank other than in breach by the Bank of this Agreement; or (ii) disclosed to Bank by a third party if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use the confidential information for reporting purposes and the development and distribution of databases and market analyses so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly permitted by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.10 Right of Set Off. Borrower hereby grants to Bank, a lien, security interest and right of set off as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.16 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, Bank shall be entitled to recover its reasonable attorneys' fees and other out-of-pocket costs and expenses incurred, in addition to any other relief to which it may be entitled.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Additional Costs**" is defined in Section 3.5(b).

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Annual Audited Financial Statements**" is defined in Section 6.1(c).

"**Bank**" is defined in the preamble hereof.

"**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all reasonable audit fees and out-of-pocket expenses, costs, and expenses (including reasonable attorneys' fees and out-of-pocket expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to the Loan Documents.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "**Bank Services Agreement**").

"**Bank's Parent**" is defined in Section 3.5(d).

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's members or board of directors and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its Secretary on behalf of such Person certifying that (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that attached as Exhibit A to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day other than a Saturday, Sunday or other day on which banking institutions in the State of California are authorized or required by law or other governmental action to close, except that if any determination of a "Business Day" shall relate to a LIBOR Loan, the term "Business Day" shall also mean a day on which dealings are carried on in the London interbank market.

"Cash Equivalents" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Change in Control**" means any event, transaction, or occurrence as a result of which (a) any "person" (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of Borrower, is or becomes a beneficial owner (within the meaning Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Borrower, representing twenty-five percent (25%) or more of the combined voting power of Borrower's then outstanding securities; or (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Board of Directors of Borrower (together with any new directors whose election by the Board of Directors of Borrower was approved by a vote of not less than two-thirds of the directors then still in office who either were directions at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office.

"**Claims**" is defined in Section 12.2.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit D.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Continuation Date**" means any date on which Borrower elects to continue a LIBOR Loan into another Interest Period.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Conversion Date**" means any date on which Borrower elects to convert a Prime Rate Loan to a LIBOR Loan or a LIBOR Loan to a Prime Rate Loan.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Default Rate**" is defined in Section 2.3(c).

"**Deferred Revenue**" is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is Borrower's deposit account, account number 3300898668, maintained with Bank.

"**Dollars**," "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**EBITDA**" shall mean (a) Net Income, plus (b) Interest Expense, plus (c) to the extent deducted in the calculation of Net Income, depreciation expense, amortization expense and non-cash stock-based compensation expense, plus (d) income tax expense, plus (e) reasonable add-backs for other non-cash items approved by Bank on a case-by-case basis.

"**Effective Date**" is defined in the preamble hereof.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Funding Date**" is the date on which the Term Loan is made to or for the account of Borrower which shall be a Business Day.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to

purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any present or future guarantor of the Obligations, including SS SPV LLC, a Delaware limited liability company, SS Telesales LLC, a New York limited liability company, Stock Inc., a New York corporation, Shutter Images Inc., a New York corporation, Shutterstock, Inc., a Delaware corporation, and SSquint Partners, a New York general partnership.

"**Guarantor Security Agreement**" is, collectively, each Security Agreement of even date from each Guarantor to the Bank.

"**Guaranty**" is the unconditional Guaranty of even date from each Guarantor to the Bank.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.2.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means all of Borrower's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to a Borrower;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Interest Expense**" means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to the Term Loan and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of

credit and bankers' acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

"**Interest Payment Date**" means, (i) with respect to any LIBOR Loan having an Interest Period of three (3) months or less, the last Business Day of such Interest Period, (ii) with respect to any LIBOR Loan having an Interest Period longer than three (3) months, each day that is three (3) months (or, if such date is not a Business Day, the Business Day next succeeding such date) after the first day of such Interest Period and the last Business Day of such Interest Period, and (iii) with respect to any Prime Rate Loan, the last day of each quarter (or, if the last day of the quarter does not fall on a Business Day, then on the first Business Day following such date), and each date a Prime Rate Loan is converted into a LIBOR Loan to the extent of the amount converted to a LIBOR Loan.

"**Interest Period**" means, as to any LIBOR Loan, the period commencing on the date of such LIBOR Loan, or on the date on which a Prime Rate Loan is converted into a LIBOR Loan or an existing LIBOR Loan is continued as a LIBOR Loan, and ending on the date that is one (1), two (2), three (3) or six (6) months thereafter, in each case as Borrower may elect in the applicable Notice of Borrowing or Notice of Conversion/Continuation; provided, however, that (a) no Interest Period with respect to any LIBOR Loan shall end later than the Maturity Date, (b) the last day of an Interest Period shall be determined in accordance with the practices of the LIBOR interbank market as from time to time in effect, (c) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of a LIBOR Loan, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day, (d) any Interest Period pertaining to a LIBOR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period, and (d) interest shall accrue from and include the first Business Day of an Interest Period but exclude the last Business Day of such Interest Period.

"**Interest Rate Determination Date**" means with respect to LIBOR Loans, each date for calculating the LIBOR Rate for purposes of determining the interest rate in respect of an Interest Period. The Interest Rate Determination Date shall be the second Business Day prior to the first day of the related Interest Period for a LIBOR Loan.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**LIBOR Base Rate**" is, with respect to each day during each Interest Period pertaining to a LIBOR Loan, the rate per annum determined by reference to the British Bankers' Association Interest Settlement Rates for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to the beginning of such Interest Period (as set forth by Bloomberg Information Service or any successor thereto or any other service selected by Bank (with notice to Borrower) which has been nominated by the British Bankers' Association as an authorized information vendor for the purpose of displaying such rates). In the event that the rate per annum referenced in the preceding sentence is not available, the rate per annum in the preceding sentence shall be determined by reference to the rate per annum equal to the offered quotation rate to first class banks in the London interbank market by Bank for deposits (for delivery on the first day of the relevant Interest Period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable LIBOR Loan of the Bank, for which the LIBOR Base Rate is then being determined with maturities comparable to such period as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to the beginning of such Interest Period.

"**LIBOR Loan**" is all or any part of the Term Loan that bears interest based on the LIBOR Rate.

"**LIBOR Rate**": with respect to each day during each Interest Period pertaining to a LIBOR Loan, a rate per annum determined for such day in accordance with the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR Base Rate}}{\text{1.00 - Reserve Requirements}}$$

"**LIBOR Tranche**" is the collective reference to LIBOR Loans under the Term Loan, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such LIBOR Loans shall originally have been made on the same day).

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Liquidity**" is Borrower's unrestricted cash and Cash Equivalents on deposit at Bank or at a financial institution other than Bank provided that the funds maintained therein are subject to a first perfected security interest in favor of Bank pursuant to a Control Agreement in form and substance satisfactory to Bank.

"**Loan Documents**" are, collectively, this Agreement, the Perfection Certificate, the Guaranty, each Guarantor Security Agreement, any Bank Services Agreement, any subordination agreement relating to Subordinated Debt, any note, or notes or guaranties executed by Borrower or any Guarantor in favor of Bank, and any other present or future agreement between Borrower and any Guarantor and/or for the benefit of Bank, all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (i) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral or (ii) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower.

"**Net Income**" means, as calculated on a consolidated basis for Borrower and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

"**Notice of Borrowing**" is that certain form attached hereto as Exhibit B.

"**Notice of Conversion/Continuation**" is that certain form attached hereto as Exhibit C.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, Bank Expenses and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and the performance of Borrower's duties under the Loan Documents.

"Operating Documents" are, for any Person, such Person's formation documents, as certified with the Secretary of State of such Person's state of formation on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Other Equipment**" is leasehold improvements, intangible property such as computer software and software licenses, equipment specifically designed or manufactured for Borrower, other intangible property, limited

use property and other similar property and soft costs approved by Bank, including taxes, shipping, warranty charges, freight discounts and installation expenses.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit B.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Dividend**" is a dividend paid or distribution made by the Borrower to its equity-holders provided, that, immediately prior to and immediately after such dividend or distribution, Borrower has Liquidity of at least Four Million Dollars ($4,000,000.00), and provided, further, that no such dividend or distribution shall be permitted at any time an Event of Default has occurred and is continuing.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder;

(g) Indebtedness of Borrower to any Guarantor and Contingent Obligations of any Subsidiary with respect to obligations of Borrower (provided that the primary obligations are not prohibited hereby), and Indebtedness of any Guarantor to Borrower or any other Guarantor and Contingent Obligations of any Guarantor with respect to obligations of any other Guarantor (provided that the primary obligations are not prohibited hereby);

(h) other Indebtedness not otherwise permitted by Section 7.4 not exceeding Five Hundred Thousand Dollars ($500,000) in the aggregate outstanding at any time; and

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate and;

(b) Investments consisting of Cash Equivalents;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of deposit accounts in which Bank has a perfected security interest;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors;

(g) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(h) Investments in Shutterstock Images C.V., a partnership organized under the laws of The Netherlands ("**Shutterstock Images C.V.**") provided that (i) Borrower's Investments in Shutterstock Images C.V. shall be made solely to finance the operations of Shutterstock Images C.V. in the ordinary course of business and Shutterstock Images C.V. shall use the proceeds of such Investments solely for such purpose, (ii) in no event shall Borrower's aggregate Investments in of Shutterstock Images C.V. in any fiscal month exceed $5,500,000 in the aggregate, (iii) at no time shall Shutterstock Images C.V. incur indebtedness (exclusive of accounts payable in the ordinary course of business and financed with the proceeds of the Investments specified in clause (ii) above) in excess of Twenty Five Thousand Dollars ($25,000) (or the equivalent amount in Euros) in the aggregate or own any material assets, and (iv) at no time shall the aggregate amount of cash held by Shutterstock Images C.V. exceed $5,500,000; and

(h) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (h) shall not apply to Investments of Borrower in any Subsidiary.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens or capital leases (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars ($100,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(h) non-exclusive license of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7; and

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prime Rate**" means the rate of interest published in the "Money Rates" section of The Wall Street Journal, Eastern Edition as the "United States Prime Rate." In the event that The Wall Street Journal, Eastern Edition is not published or such rate does not appear in The Wall Street Journal, Eastern Edition, the Prime Rate shall be determined by Bank until such time as the Prime Rate becomes available in accordance with past practices.

"**Prime Rate Loan**" is all or any part of the Term Loan that bears interest based on the Prime Rate.

"**Quarterly Financial Statements**" is defined in Section 6.2(a).

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Reserve Requirement**" means, for any Interest Period, the average maximum rate at which reserves (including any marginal, supplemental, or emergency reserves) are required to be maintained during such Interest Period under Regulation D against "Eurocurrency liabilities" (as such term is used in Regulation D) by member banks of the Federal Reserve System. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by Bank by reason of any regulatory change against any category of liabilities which includes deposits by reference to which the LIBOR Rate is to be determined as provided in the definition of LIBOR Rate.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

"**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank's right to sell any Collateral.

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

"Term Loan" is the loan made by Bank pursuant to the terms of Section 2.1.1 hereof.

"Term Loan Amount" is an amount equal to Twelve Million Dollars ($12,000,000.00).

"**Term Loan Maturity Date**" is September 21, 2013.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Transfer**" is defined in Section 7.1.

"**Type**" is, with respect to any Term Loan, its nature as a Prime Rate Loan or a LIBOR Loan.

[Signature page follows.**]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

SHUTTERSTOCK IMAGES LLC

By /s/ Tim Bixby
Name: Tim Bixby
Title: Chief Financial Officer

BANK:

SILICON VALLEY BANK

By /s/ Philip T. Silvia III
Name: Philip T. Silvia III
Title: Vice President

EXHIBIT A

COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

EXHIBIT B

FORM OF NOTICE OF BORROWING

SHUTTERSTOCK IMAGES LLC

Date: _____

TO: **SILICON VALLEY BANK**
3003 Tasman Drive
Santa Clara, CA 95054
Attention: Corporate Services Department

RE: Loan and Security Agreement dated as of September 21, 2012 (as amended, modified, supplemented or restated from time to time, the "**Loan Agreement**"), by and between **SHUTTERSTOCK IMAGES LLC** ("**Borrower**"), and **SILICON VALLEY BANK** (the "**Bank**")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein and used herein as so defined, and hereby gives you notice irrevocably, pursuant to Section 3.2 of the Loan Agreement, of the borrowing of the Term Loan.

1 The Funding Date, which shall be a Business Day, of the requested borrowing is .

2 The aggregate amount of the requested borrowing is $.

3 The requested Term Loan shall consist of $ of Prime Rate Loans and $ of LIBOR Loans.

4 The duration of the Interest Period for the LIBOR Loans included in the requested Term Loan shall be months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Term Loan before and after giving effect thereto, and to the application of the proceeds therefrom, as applicable:

(a) all representations and warranties of Borrower contained in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed Term Loan;

(c) after giving effect to such proposed Term Loan, Borrower shall be in pro forma compliance (as of the most recent quarterly period for which a Compliance Certificate has been delivered), with the financial covenants contained in Section 6.7 of the Loan Agreement.

SHUTTERSTOCK IMAGES LLC

By: _____
Name: _____
Title: _____

For internal Bank use only

LIBOR Pricing Date	LIBOR Rate	LIBOR Variance	Maturity Date
		%	

EXHIBIT C

FORM OF NOTICE OF CONVERSION/CONTINUATION

SHUTTERSTOCK IMAGES LLC

Date: _____

TO: **SILICON VALLEY BANK**
3003 Tasman Drive
Santa Clara, CA 95054
Attention: Corporate Services Department

RE: Loan and Security Agreement dated as of September 21, 2012 (as amended, modified, supplemented or restated from time to time, the "**Loan Agreement**"), by and between **SHUTTERSTOCK IMAGES LLC** ("**Borrower**"), and **SILICON VALLEY BANK** (the "**Bank**")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 3.5 of the Loan Agreement, of the [conversion] [continuation] of the Term Loans specified herein, that:

1. The date of the [conversion] [continuation] is , 20 .

2. The aggregate amount of the proposed Term Loan to be [converted] is $ or [continued] is $.

3. The Term Loans are to be [converted into] [continued as] [LIBOR] [Prime Rate] Loans.

4. The duration of the Interest Period for the LIBOR Loans included in the [conversion] [continuation] shall be months.

The undersigned, on behalf of Borrower, hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed [conversion] [continuation], before and after giving effect thereto and to the application of the proceeds therefrom:

(a) all representations and warranties of Borrower stated in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed [conversion] [continuation]; and

(c) after giving effect to the requested [conversion] [continuation], Borrower shall have no more than five (5) LIBOR Tranches in the aggregate.

SHUTTERSTOCK IMAGES LLC

By: _____
Name: _____
Title: _____

For internal Bank use only

LIBOR Pricing Date	LIBOR Rate	LIBOR Variance	Maturity Date
		%	

EXHIBIT D

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: _____
FROM:

The undersigned authorized officer of Shutterstock Images LLC ("Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"):

(1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	Required	Complies
Quarterly financial statements with Compliance Certificate	Quarterly within 45 days	o Yes o No
Annual financial statement (CPA Audited) + CC	FYE within 150 days	o Yes o No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	o Yes o No
Operating Budget	Annually within 60 days	o Yes o No

The following Intellectual Property was registered (or a registration application submitted) after the Effective Date (if no registrations, state "None")

Financial Covenant	Required	Actual	Complies
Maintain on a Quarterly Basis:			
Minimum EBITDA	$ 20,000,000	$	o Yes o No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

By: _____

Name: _____

Title: _____

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: o Yes o No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: _____

I. **EBITDA** (Section 6.7 (a))

Required: Achieve minimum EBITDA, measured on a trailing twelve (12) month basis, of at least $20,000,000.00

Actual:

A.	Net Income	$
B.	To the extent included in the determination of Net Income	
1.	The provision for income taxes	$
2.	Depreciation expense	$
3.	Amortization expense	$
4.	Net Interest Expense	$
5.	Reasonable add-backs for other non-cash items approved by Bank on a case-by- case basis	$
6.	Non-cash Stock-based Compensation	$
7.	All non-cash income	$
8.	The sum of lines 1 through 6 minus line 7	$
C.	EBITDA (line A plus line B.8)	

Is line C equal to or greater than $20,000,000.00?

o No, not in compliance o Yes, in compliance

II. **Liquidity***

Required: Prior to and immediately after any dividend or distribution, maintain unrestricted cash and Cash Equivalents at Bank or subject to Control Agreement of at least $4,000,000

Actual:

A.	Unrestricted cash and Cash Equivalents at Bank or subject to Control Agreement	$
B.	Liquidity (line A)	$

Is line B equal to or greater than $4,000,000?

o No, not in compliance o Yes, in compliance

*(for purposes of determining Permitted Dividends)

Schedule 5.9

Internal Control Over Financial Reporting (from the MD&A Section in the Borrower's Form S-1 filing);

In connection with the audit of our financial statements as of and for the year ended December 31, 2011, we and our independent registered public accounting firm identified a material weakness in internal control over financial reporting with respect to our tax compliance process. Specifically, it was determined that we did not have adequate procedures and controls to appropriately comply with, and account for, certain non-income tax regulations. These non-income tax issues related to underpayment of international consumption tax, sales and use tax and royalty withholdings compliance. A material weakness is defined as a significant deficiency, or a combination of significant deficiencies, that results in a reasonable possibility that a material misstatement of our financial statements will not be prevented by our internal control over financial reporting. A significant deficiency means a control deficiency, or a combination of control deficiencies, that adversely affects our ability to initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of our financial statements that is more than inconsequential will not be prevented or detected by our internal control over financial reporting.

We are working to remediate the material weakness. We have begun taking numerous steps and plan to take additional steps to remediate the underlying causes of the material weakness, primarily through a search for a tax specialist and updating our systems in order to collect the necessary data and taxes to comply with our required tax compliance processes. We intend to hire a tax specialist with the appropriate knowledge and ability to fulfill our obligation to comply with the accounting and reporting requirements applicable to public companies. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating this material weakness. If we are unable to successfully remediate this material weakness, it could harm our operating results, cause us to fail to meet our SEC reporting obligations or applicable stock exchange listing requirements on a timely basis, cause our stock price to be adversely affected or result in inaccurate financial reporting or material misstatements in our annual or interim financial statements.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 4 to the Registration Statement on Form S-1 (No. 333-181376) of Shutterstock, Inc. of our report dated May 14, 2012 relating to the financial statements of Shutterstock Images LLC, which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

New York, New York
September 27, 2012

Exhibit 99.1

Consent of L.E.K. Consulting LLC

Reference is made to the report entitled "Visual Stock Content Global Market Size and Forecast" dated August 8, 2012, which L.E.K. Consulting LLC ("L.E.K.") has prepared for Shutterstock Images LLC (the "Report").

L.E.K. hereby consents to the inclusion of references to its name and references to, and information derived from, the Report in the Registration Statement on Form S-1 of Shutterstock, Inc. (the "Registration Statement") dated September 27, 2012 filed with the United States Securities and Exchange Commission (the "SEC"), and any subsequent amendments to the Registration Statement filed with the SEC, provided that any modifications to the use of L.E.K.'s name or the statements attributed to L.E.K. in such Registration Statement or in any subsequent amendments shall be subject to the prior consent of L.E.K.

Dated this 27th day of September, 2012.

L.E.K. Consulting LLC

By: /s/ Shuba Satyaprasad
Name: Shuba Satyaprasad
Title: General Counsel