ELLIE MAE INC
Form DEFM14A
March 15, 2019
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12

ELLIE MAE, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filed fee was determined by multiplying

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Ellie Mae, Inc.

4420 Rosewood Drive, Suite 500

Pleasanton, CA 94588

March 15, 2019

Dear Ellie Mae Stockholder:

You are cordially invited to attend a special meeting (including any adjournments or postponements thereof, the Special Meeting) of stockholders of Ellie Mae, Inc. (Ellie Mae or the Company) to be held on April 15, 2019, at Ellie Mae s office, located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, at 9 a.m., Pacific time.

At the Special Meeting, you will be asked to consider and vote on (i) a proposal to adopt the Agreement and Plan of Merger, dated February 11, 2019 (the Merger Agreement), by and among Ellie Mae, EM Eagle Purchaser, LLC, a Delaware limited liability company (Parent), and EM Eagle Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub), (ii) a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Ellie Mae s named executive officers that is based on or otherwise relates to the Merger Agreement and the transactions contemplated by the Merger Agreement (the Compensation Proposal), and (iii) a proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting. Parent and Merger Sub are entities that are affiliated with Thoma Bravo, LLC, a private equity investment firm. Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into Ellie Mae and the separate corporate existence of Merger Sub will cease, with Ellie Mae continuing as the surviving corporation (the Merger).

If the Merger is completed, you will be entitled to receive $99.00 in cash, less any applicable withholding taxes, for each share of Ellie Mae common stock that you own (unless you have properly exercised your appraisal rights), which represents a premium of approximately: (1) 21% to $81.92, the closing price of Ellie Mae common stock on February 11, 2019, the last full trading day prior to public announcement of Ellie Mae s entry into the Merger Agreement; (2) 35% to $73.50, the 30-day volume weighted average price of Ellie Mae common stock ending on February 11, 2019.

The Board of Directors of Ellie Mae (the Board of Directors), after considering the factors **more fully described in the enclosed proxy statement, has unanimously: (i) determined that it is in the best interests of Ellie Mae and its stockholders, and declared it advisable, to enter into the Merger Agreement and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement; (ii) approved the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (iii) resolved to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL. The Board of Directors unanimously recommends that you vote: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.**

The enclosed proxy statement provides detailed information about the Special Meeting, the Merger Agreement and the Merger. A copy of the Merger Agreement is attached as Annex A to the proxy statement.

Table of Contents

The proxy statement also describes the actions and determinations of the Board of Directors in connection with its evaluation of the Merger Agreement and the Merger. You should carefully read and consider the entire enclosed proxy statement and its annexes, including, but not limited to, the Merger Agreement, as they contain important information about, among other things, the Merger and how it affects you.

Whether or not you plan to attend the Special Meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card). If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted.

If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement, without your instructions.

Your vote is very important, regardless of the number of shares that you own. We cannot complete the Merger unless the proposal to adopt the Merger Agreement is approved by the affirmative vote of the holders of at least a majority of the outstanding shares of Ellie Mae common stock entitled to vote at the Special Meeting.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway, 27th Floor

New York, NY 10018

(212) 929-5500 (Call Collect)

Call Toll-free: (800) 322-2885

proxy@mackenziepartners.com

On behalf of the Board of Directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely,

Jonathan H. Corr

President and Chief Executive Officer

The accompanying proxy statement is dated March 15, 2019 and, together with the enclosed form of proxy card, is first being mailed on or about March 15, 2019.

Table of Contents

Ellie Mae, Inc.

4420 Rosewood Drive, Suite 500

Pleasanton, CA 94588

March 15, 2019

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON April 15, 2019

Notice is hereby given that a special meeting of stockholders (including any adjournments or postponements thereof, the Special Meeting) of Ellie Mae, Inc., a Delaware corporation (Ellie Mae), will be held on April 15, 2019, at Ellie Mae s office, located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, at 9 a.m., Pacific time, for the following purposes:

1. To consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated February 11, 2019, (the Merger Agreement), by and among Ellie Mae, EM Eagle Purchaser, LLC, a Delaware limited liability company (Parent), and EM Eagle Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub). Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into Ellie Mae and the separate corporate existence of Merger Sub will cease, with Ellie Mae continuing as the surviving corporation (the Merger);

2. To consider and vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Ellie Mae s named executive officers that is based on or otherwise relates to the Merger Agreement and the transactions contemplated by the Merger Agreement (the Compensation Proposal); and

3. To consider and vote on any proposal to adjourn the Special Meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Only Ellie Mae stockholders of record as of the close of business on March 14, 2019, are entitled to notice of the Special Meeting and to vote at the Special Meeting or any adjournment, postponement or other delay thereof.

The Board of Directors unanimously recommends that you vote: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Whether or not you plan to attend the Special Meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card). If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement, without your instructions. **If you sign, date and mail your proxy card without indicating how you wish to vote, your**

proxy will be counted as a vote FOR the adoption of the Merger Agreement, FOR , on an advisory (non-binding) basis, the Compensation Proposal and FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

By Order of the Board of Directors,

Jonathan H. Corr

President and Chief Executive Officer

Dated: March 15, 2019

Table of Contents

YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, WE ENCOURAGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE: (1) BY TELEPHONE; (2) THROUGH THE INTERNET; OR (3) BY SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before it is voted at the Special Meeting.

If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your broker or other agent cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement, without your instructions.

If you are an Ellie Mae stockholder of record, voting in person by ballot at the Special Meeting will revoke any proxy that you previously submitted. If you hold your shares through a bank, broker or other nominee, you must obtain a legal proxy in order to vote in person at the Special Meeting.

If you fail to (1) return your proxy card, (2) grant your proxy electronically over the Internet or by telephone or (3) vote by ballot in person at the Special Meeting, your shares will not be counted for purposes of determining whether a quorum is present at the Special Meeting and, if a quorum is present, will have the same effect as a vote AGAINST the proposal to adopt the Merger Agreement but will have no effect on the Compensation Proposal or the adjournment proposal.

You should carefully read and consider the entire accompanying proxy statement and its annexes, including, but not limited to, the Merger Agreement, along with all of the documents incorporated by reference into the accompanying proxy statement, as they contain important information about, among other things, the Merger and how it affects you. If you have any questions concerning the Merger Agreement, the Merger, the Special Meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of Ellie Mae common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway, 27th Floor

New York, NY 10018

(212) 929-5500 (Call Collect)

Call Toll-free: (800) 322-2885

proxy@mackenziepartners.com

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement related to the merger of EM Eagle Merger Sub, Inc. with and into Ellie Mae, Inc. (the Merger), and may not contain all of the information that is important to you. To understand the Merger more fully and for a more complete description of the legal terms of the Merger, you should carefully read and consider this entire proxy statement and the annexes to this proxy statement, including, but not limited to, the Merger Agreement, along with all of the documents to which we refer in this proxy statement, as they contain important information about, among other things, the Merger and how it affects you. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under the caption, Where You Can Find More Information. The Merger Agreement (as defined below) is attached as Annex A to this proxy statement. You should carefully read and consider the entire Merger Agreement, which is the legal document that governs the Merger.

Except as otherwise specifically noted in this proxy statement, Ellie Mae, we, our, us, the Company and similar words refer to Ellie Mae, Inc. Throughout this proxy statement, we refer to EM Eagle Purchaser, LLC as Parent and EM Eagle Merger Sub, Inc. as Merger Sub. In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated February 11, 2019, by and among Ellie Mae, Parent and Merger Sub, as the Merger Agreement, our common stock, par value $0.0001 per share as Ellie Mae common stock and the holders of Ellie Mae common stock, as Ellie Mae stockholders. Unless indicated otherwise, any other capitalized term used herein but not otherwise defined herein has the meaning assigned to such term in the Merger Agreement.

Parties Involved in the Merger

Ellie Mae, Inc.

Headquartered in Pleasanton, California, Ellie Mae is the leading cloud-based platform provider for the mortgage finance industry. Ellie Mae s technology solutions enable lenders to originate more loans, lower origination costs, and reduce the time to close, all while ensuring the highest levels of compliance, quality and efficiency. Ellie Mae common stock is listed on The New York Stock Exchange (NYSE) under the symbol ELLI.

EM Eagle Purchaser, LLC

Parent was formed on February 11, 2019, solely for the purpose of engaging in the transactions contemplated by the Merger Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Merger Agreement and arranging of the equity financing and any debt financing in connection with the Merger.

EM Eagle Merger Sub, Inc.

Merger Sub is a wholly owned subsidiary of Parent and was formed on February 11, 2019, solely for the purpose of engaging in the transactions contemplated by the Merger Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Merger Agreement and arranging of the equity financing and any debt financing in connection with the Merger.

Parent and Merger Sub are each affiliated with Thoma Bravo Fund XIII, L.P. (the Thoma Bravo Fund), and Parent, Merger Sub and the Thoma Bravo Fund are each affiliated with Thoma Bravo, LLC (Thoma Bravo). Thoma Bravo is a leading private equity firm focused on the software and technology-enabled services sectors. At the Effective Time, Ellie Mae, as the Surviving Corporation, will be indirectly owned by the Thoma Bravo Fund, Thoma Bravo Fund

XIII-A, L.P. and Thoma Bravo Executive Fund XIII, L.P., each an affiliate of Thoma Bravo.

Table of Contents

In connection with the transactions contemplated by the Merger Agreement, the Thoma Bravo Fund has provided Parent with an equity commitment sufficient to fund the aggregate purchase price required to be paid at the closing of the Merger and to also fund, together with cash on hand at Ellie Mae, certain fees and expenses to be paid at the closing of the Merger, subject to the terms and conditions of the Merger Agreement. For more information, please see the section of this proxy statement captioned The Merger Financing of the Merger.

The Merger

Upon the terms and subject to the conditions of the Merger Agreement, Merger Sub will merge with and into Ellie Mae and the separate corporate existence of Merger Sub will cease, with Ellie Mae continuing as the surviving corporation and as a wholly owned subsidiary of Parent (the Surviving Corporation). As a result of the Merger, Ellie Mae common stock will no longer be publicly traded and will be delisted from NYSE. In addition, Ellie Mae common stock will be deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act), and Ellie Mae will no longer file periodic reports with the United States Securities and Exchange Commission (the SEC). If the Merger is completed, you will not own any shares of the capital stock of the Surviving Corporation. The time at which the Merger will become effective will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware in accordance with the applicable provision of the General Corporation Law of the State of Delaware (the DGCL) (the time of such filing and the acceptance for record by the Secretary of State of the State of Delaware, or such later time as may be agreed in writing by Parent, Merger Sub and Ellie Mae and specified in the certificate of merger, being referred to herein as the Effective Time).

Merger Consideration

Ellie Mae common stock

At the Effective Time, each then outstanding share of Ellie Mae common stock (other than shares of Ellie Mae common stock (1) held by Ellie Mae as treasury stock, (2) owned by Parent or Merger Sub, (3) owned by any direct or indirect wholly owned subsidiary of Parent or Merger Sub or (4) owned by Ellie Mae stockholders who have properly and validly exercised their statutory rights of appraisal in respect of such shares of Ellie Mae common stock under Delaware law, collectively, the Excluded Shares) will be cancelled and extinguished and automatically converted into the right to receive an amount in cash equal to $99.00, without interest thereon (the Per Share Merger Consideration), less any applicable withholding taxes.

At or prior to the Effective Time, Parent will deposit (or cause to be deposited) an amount of cash equal to the aggregate Per Share Merger Consideration with a designated payment agent for payment of each share of Ellie Mae common stock owned by each Ellie Mae stockholder. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Exchange and Payment Procedures.

After the Merger is completed, you will have the right to receive the Per Share Merger Consideration, but you will no longer have any rights as a stockholder (except that stockholders who properly exercise their appraisal rights may have the right to receive payment for the fair value of their shares determined pursuant to an appraisal proceeding, as contemplated by Delaware law). For more information, please see the section of this proxy statement captioned The Merger Appraisal Rights.

Treatment of Company Options, Company RSU Awards, Company Restricted Stock Awards and Company Performance Share Awards

The Merger Agreement provides that equity awards granted under Ellie Mae s equity incentive plans, including options to purchase shares of Ellie Mae common stock, restricted stock unit awards covering shares of Ellie Mae

Table of Contents

common stock, restricted stock awards, and performance share awards that are outstanding and vested as of immediately before the Effective Time will be cancelled and converted into cash consideration equal to $99.00 multiplied by the number of vested shares subject to the equity award (less the applicable per share exercise price of those vested shares, with respect to any options), subject to any required tax withholdings, payable shortly after the closing of the Merger. Equity awards that are outstanding and unvested as of immediately before the Effective Time will be cancelled and converted into cash consideration (the Cash Replacement Amount) equal to $99.00 multiplied by the number of unvested shares subject to the equity award (less the applicable per share exercise price of those unvested shares, with respect to any options), subject to any required tax withholdings, which consideration will be subject to generally the same terms as the corresponding, cancelled equity award, including vesting conditions. Any options with a per share exercise price equal to or greater than $99.00 will be cancelled at the Effective Time for no payment or consideration. Ellie Mae s equity incentive plans will terminate as of the Effective Time. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Merger Consideration Outstanding Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Awards.

Treatment of Purchase Rights under the Ellie Mae Employee Stock Purchase Plan

The Merger Agreement generally provides that no new offering periods or purchase periods will begin under Ellie Mae s Employee Stock Purchase Plan (the ESPP) after February 11, 2019, any outstanding offering period will end no later than five days before the Effective Time, and the ESPP will terminate as of the Effective Time. In addition, no new participants will be permitted in the ESPP following February 11, 2019, and with respect to any offering periods in effect on February 11, 2019, as of and following such date, existing participants in the ESPP will not be allowed to increase payroll contribution rates or make separate non-payroll contributions to the ESPP, except as required by applicable law. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Merger Consideration Treatment of Purchase Rights under the Employee Stock Purchase Plan.

Material U.S. Federal Income Tax Consequences of the Merger

The receipt of cash by Ellie Mae stockholders in exchange for shares of Ellie Mae common stock in the Merger will be a taxable transaction to Ellie Mae stockholders for U.S. federal income tax purposes. Such receipt of cash by each Ellie Mae stockholder that is a U.S. Holder (as defined under the caption, The Merger Material U.S. Federal Income Tax Consequences of the Merger) generally will result in the recognition of gain or loss in an amount measured by the difference, if any, between the amount of cash that such U.S. Holder receives in the Merger and such U.S. Holder s adjusted tax basis in the shares of Ellie Mae common stock surrendered in the Merger by such stockholder. Backup withholding taxes may also apply to the cash payments made pursuant to the Merger, unless such U.S. Holder complies with certification procedures under the backup withholding rules.

An Ellie Mae stockholder that is a Non-U.S. Holder (as defined under the caption, The Merger Material U.S. Federal Income Tax Consequences of the Merger) generally will not be subject to U.S. federal income tax with respect to the exchange of Ellie Mae common stock for cash in the Merger unless such Non-U.S. Holder has certain connections to the United States, but may be subject to backup withholding tax unless the Non-U.S. Holder complies with certain certification procedures or otherwise establishes a valid exemption from backup withholding tax.

Ellie Mae stockholders should read the section of this proxy statement captioned The Merger Material U.S. Federal Income Tax Consequences of the Merger.

Ellie Mae stockholders should also consult their own tax advisors concerning the U.S. federal income tax consequences relating to the Merger in light of their particular circumstances and any consequences arising under

Table of Contents

U.S. federal estate, gift and other non-income tax laws or the laws of any state, local or non-U.S. taxing jurisdiction.

Appraisal Rights

If the Merger is consummated and certain conditions are met, Ellie Mae stockholders who continuously hold shares of Ellie Mae common stock through the Effective Time, who do not vote in favor of the adoption of the Merger Agreement and who properly demand appraisal of their shares and who do not withdraw their demands or otherwise lose their rights to seek appraisal will be entitled to seek appraisal of their shares in connection with the Merger under Section 262 of the DGCL. This means that Ellie Mae stockholders may be entitled to have their shares of Ellie Mae common stock appraised by the Delaware Court of Chancery, and to receive payment in cash of the fair value of their shares of Ellie Mae common stock, exclusive of any elements of value arising from the accomplishment or expectation of the Merger, together with interest to be paid on the amount determined to be fair value, if any, as determined by the court (or in certain circumstances described in further detail in the section of this proxy statement captioned The Merger Appraisal Rights, on the difference between the amount determined to be the fair value and the amount paid by the Surviving Corporation in the Merger to each stockholder entitled to appraisal prior to the entry of judgment in any appraisal proceeding). Due to the complexity of the appraisal process, Ellie Mae stockholders who wish to seek appraisal of their shares are encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights.

Ellie Mae stockholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration that they would receive pursuant to the Merger Agreement if they did not seek appraisal of their shares of Ellie Mae common stock.

To exercise appraisal rights, Ellie Mae stockholders must: (1) submit a written demand for appraisal to Ellie Mae before the vote is taken on the proposal to adopt the Merger Agreement; (2) not submit a proxy or otherwise vote in favor of the proposal to adopt the Merger Agreement; (3) continue to hold shares of Ellie Mae common stock of record through the Effective Time; and (4) strictly comply with all other procedures for exercising appraisal rights under the DGCL. Failure to follow exactly the procedures specified under the DGCL may result in the loss of appraisal rights. In addition, the Delaware Court of Chancery will dismiss appraisal proceedings in respect of Ellie Mae unless certain stock ownership conditions are satisfied by the Ellie Mae stockholders seeking appraisal. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, which is qualified in its entirety by Section 262 of the DGCL, the relevant section of the DGCL regarding appraisal rights. A copy of Section 262 of the DGCL is reproduced in Annex C to this proxy statement. If you hold your shares of Ellie Mae common stock through a bank, broker or other nominee and you wish to exercise appraisal rights, you should consult with your bank, broker or other nominee to determine the appropriate procedures for the making of a demand for appraisal on your behalf by your bank, broker or other nominee. For more information, please see the section of this proxy statement captioned The Merger Appraisal Rights.

Regulatory Approvals Required for the Merger

Under the Merger Agreement, the Merger cannot be completed until the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), has expired or been terminated. For more information, please see the section of this proxy captioned The Merger Regulatory Approvals Required for the Merger.

Ellie Mae and Thoma Bravo Fund XIII-A, L.P. made the filings required under the HSR Act on February 21, 2019.

4

Table of Contents

Closing Conditions

The obligations of Ellie Mae, Parent and Merger Sub, as applicable, to consummate the Merger are subject to the satisfaction or waiver of customary conditions, including (among other conditions), the following:

- the absence of any laws or court orders making the Merger illegal or otherwise prohibiting the Merger;
- the adoption of the Merger Agreement by the requisite affirmative vote of stockholders;
- the expiration or termination of the applicable waiting period under the HSR Act;
- in the case of Parent and Merger Sub, the absence of any continuing change, event, violation, inaccuracy, effect or circumstance at Ellie Mae that, individually or in the aggregate, generally: (1) is or would reasonably be expected to be materially adverse to Ellie Mae s business, financial condition or results of operations, taken as a whole; or (2) would reasonably be expected to prevent or materially impair the consummation of the Merger prior to the Termination Date;
- the accuracy of the representations and warranties of Ellie Mae, Parent and Merger Sub in the Merger Agreement, subject to materiality qualifiers, as of the Effective Time or the date in respect of which such representation or warranty was specifically made; and
- the performance in all material respects by Ellie Mae, Parent and Merger Sub of their respective obligations required to be performed by them under the Merger Agreement at or prior to the Effective Time.

Financing of the Merger

The obligation of Parent and Merger Sub to consummate the Merger is not subject to any financing condition. We anticipate that the total amount of funds necessary to complete the Merger and the related transactions, and to pay the fees and expenses required to be paid at the closing of the Merger by Parent and Merger Sub under the Merger Agreement, will be approximately $3.6 billion in cash. This amount includes funds needed to: (1) pay Ellie Mae stockholders the amounts due under the Merger Agreement and (2) make payments in respect of our outstanding equity-based awards payable at closing of the Merger pursuant to the Merger Agreement. In connection with the financing of the Merger, the Thoma Bravo Fund and Parent have entered into an equity commitment letter, dated as of February 11, 2019 (the Equity Commitment Letter), pursuant to which the Thoma Bravo Fund has agreed to provide Parent with an equity commitment sufficient to fund the aggregate purchase price required to be paid at the closing of the Merger and to also fund, together with cash on hand at Ellie Mae, certain fees and expenses to be paid at the closing of the Merger, contemplated by, and subject to the terms and conditions of, the Merger Agreement. Ellie Mae has a contractual right to enforce the foregoing Equity Commitment Letter against the Thoma Bravo Fund, and under the terms of the Merger Agreement, Ellie Mae has the unqualified right to specifically enforce Parent s obligation to consummate the Merger upon receipt of the proceeds of the foregoing equity commitment.

Pursuant to the limited guaranty delivered by the Thoma Bravo Fund in favor of Ellie Mae, dated as of February 11, 2019 (the Guaranty), the Thoma Bravo Fund has agreed to guarantee the payment of the liabilities and obligations of Parent or Merger Sub under the Merger Agreement, which are subject to an aggregate cap equal to $258 million, including amounts in respect of certain reimbursement and indemnification obligations of Parent and Merger Sub for certain costs, expenses or losses incurred or sustained by Ellie Mae, as specified in the Merger Agreement. For more information, please see the section of this proxy statement captioned The Merger Financing of the Merger.

Required Stockholder Approval

The affirmative vote of the holders of a majority of the outstanding shares of Ellie Mae common stock is required to adopt the Merger Agreement. As of the Record Date, 17,522,208 votes constitute a majority of the outstanding

Table of Contents

shares of Ellie Mae common stock. Approval of the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Ellie Mae s named executive officers that is based on or otherwise relates to the Merger Agreement and the transactions contemplated by the Merger Agreement (the Compensation Proposal) and the proposal to adjourn the Special Meeting (the adjournment proposal), whether or not a quorum is present, requires the affirmative vote of a majority of the shares of Ellie Mae common stock present in person or represented by proxy at the Special Meeting and entitled to vote on the subject matter. The approval of the Compensation Proposal is advisory (non-binding) and is not a condition to the completion of the Merger.

As of the Record Date, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, 323,664 shares of Ellie Mae common stock, representing approximately 0.92% of the shares of Ellie Mae common stock outstanding as of the Record Date (and approximately 2.57% of the shares of Ellie Mae common stock outstanding when taking into account Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Awards held, in the aggregate, by our directors and executive officers).

Our directors and executive officers have informed us that they currently intend to vote all of their respective shares of Ellie Mae common stock: (1) **FOR** the adoption of the Merger Agreement; (2) **FOR** , on an advisory (non-binding) basis, the Compensation Proposal; and (3) **FOR** the adjournment proposal.

The Special Meeting

Date, Time and Place

A special meeting of Ellie Mae stockholders to consider and vote on the proposal to adopt the Merger Agreement will be held on April 15, 2019, at Ellie Mae s offices, located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, at 9 a.m., Pacific time (the Special Meeting).

Record Date; Shares Entitled to Vote

You are entitled to vote at the Special Meeting if you owned shares of Ellie Mae common stock at the close of business on March 14, 2019 (the Record Date). Each holder of Ellie Mae common stock shall be entitled to one (1) vote for each such share owned at the close of business on the Record Date.

Quorum

As of the Record Date, there were 35,044,413 shares of Ellie Mae common stock outstanding and entitled to vote at the Special Meeting. The holders of a majority of the shares of Ellie Mae common stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at the Special Meeting.

Recommendation of the Ellie Mae Board of Directors

The Board of Directors has unanimously: (1) determined that it is in the best interests of Ellie Mae and its stockholders, and declared it advisable, to enter into the Merger Agreement and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement; (2) approved the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (3) resolved to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL.

6

Table of Contents

The Board of Directors unanimously recommends that you vote: (1) **FOR** the adoption of the Merger Agreement; (2) **FOR**, on an advisory (non-binding) basis, the Compensation Proposal; and (3) **FOR** the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Prior to the adoption of the Merger Agreement by Ellie Mae stockholders, under certain circumstances, the Board of Directors may withdraw or change the foregoing recommendation if it determines in good faith (after consultation with its financial advisor and its outside legal counsel) that failure to do so would be inconsistent with the Board of Directors fiduciary duties to stockholders under applicable law. However, the Board of Directors cannot withdraw or change the foregoing recommendation unless it complies with certain procedures in the Merger Agreement, including, but not limited to, negotiating with Parent and its representatives in good faith over a two business day period so that a failure to make a Company Board Recommendation Change (as defined in the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The Board of Directors Recommendation; Company Board Recommendation Change) would no longer be inconsistent with the Board of Directors fiduciary duties to stockholders under applicable law. The termination of the Merger Agreement by Ellie Mae following the Board of Directors authorization for Ellie Mae to enter into a definitive agreement to consummate an alternative transaction contemplated by a Superior Proposal will result in the payment by Ellie Mae of a termination fee of either (1) $55 million if the Merger Agreement had been terminated prior to the No Shop Period Start Date (other than with respect to a Restricted Party) or (2) $110 million if the Merger Agreement is terminated after the No Shop Period Start Date or, with respect to a Restricted Party, before or after the No Shop Period Start Date. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The Board of Directors Recommendation; Company Board Recommendation Change.

Opinion of J.P. Morgan Securities LLC

Pursuant to an engagement letter dated December 28, 2018, Ellie Mae retained J.P. Morgan Securities LLC (J.P. Morgan) as its financial advisor in connection with a possible acquisition of Ellie Mae and to deliver a fairness opinion in connection with the proposed Merger, based on its J.P. Morgan s qualifications, expertise, reputation and knowledge of Ellie Mae s business and the industry in which Ellie Mae operates.

At the meeting of the Board of Directors on February 11, 2019, J.P. Morgan rendered its oral opinion to the Board of Directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger was fair, from a financial point of view, to such holders. J.P. Morgan confirmed its February 11, 2019 oral opinion by delivering its written opinion to the Board of Directors, dated February 11, 2019 (the Opinion), that, as of the date of the Opinion, the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger was fair, from a financial point of view, to such holders.

The full text of the Opinion, dated February 11, 2019, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex B to this proxy statement and is incorporated herein by reference. The summary of the Opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the Opinion. Ellie Mae stockholders are urged to read the Opinion in its entirety.

The Opinion was addressed to the Board of Directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Merger, was directed only to the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger and did not address any other aspect of the Merger. J.P. Morgan expressed no opinion as to the fairness of the Per Share Merger Consideration to the holders of any other class of securities, creditors or other constituencies of Ellie Mae or as to the underlying

7

Table of Contents

decision by Ellie Mae to engage in the proposed Merger. The issuance of the Opinion was approved by a fairness committee of J.P. Morgan. The Opinion does not constitute a recommendation to any Ellie Mae stockholder as to how such stockholder should vote with respect to the proposed Merger or any other matter.

For more information, see the section of this proxy statement captioned The Merger Opinion of J.P. Morgan Securities LLC.

Interests of Ellie Mae s Directors and Executive Officers in the Merger

When considering the foregoing recommendation of the Board of Directors that you vote to approve the proposal to adopt the Merger Agreement, Ellie Mae stockholders should be aware that Ellie Mae s directors and executive officers may have interests in the Merger that are different from, or in addition to, Ellie Mae stockholders more generally. In (1) evaluating and negotiating the Merger Agreement, (2) approving the Merger Agreement and the Merger and (3) recommending that the Merger Agreement be adopted by stockholders, the Board of Directors was aware of and considered these interests, among other matters, to the extent that these interests existed at the time. These interests include:

- at the Effective Time of the Merger, each Company Option, Company RSU Award, Company Restricted Stock Award, and Company Performance Share Award will receive the treatment described in the section of this proxy statement captioned The Merger Interests of Ellie Mae s Directors and Executive Officers in the Merger Treatment of Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Awards ;

- continued eligibility of Ellie Mae s executive officers to receive severance payments and benefits (including equity award vesting acceleration) under their employment agreement or change in control severance agreement, as applicable, with Ellie Mae, as described in more detail in the section of this proxy statement captioned The Merger Interests of Ellie Mae s Directors and Executive Officers in the Merger Payments Upon Termination At or Following Change in Control ;

- at the Effective Time, each unvested equity award held by Ellie Mae s non-employee directors will become fully vested and, as applicable, exercisable pursuant to the terms of Ellie Mae s Non-Employee Director Equity Compensation Policy; and

- continued indemnification and directors and officers liability insurance to be provided by the Surviving Corporation.

If the proposal to adopt the Merger Agreement is approved, the shares of Ellie Mae common stock held by Ellie Mae directors and executive officers will be treated in the same manner as outstanding shares of Ellie Mae common stock held by all other stockholders. For more information, see the section of this proxy statement captioned The Merger Interests of Ellie Mae s Directors and Executive Officers in the Merger.

Alternative Acquisition Proposals

The Go Shop Period Solicitation of Other Acquisition Proposals

Under the Merger Agreement, from the date of the Merger Agreement until 12:00 p.m., Pacific time on March 18, 2019 (the No Shop Period Start Date), Ellie Mae has the right to: (1) solicit, initiate, propose or induce or knowingly encourage, facilitate or assist any inquiries regarding any Acquisition Proposal and (2) engage in discussions or negotiations with, or provide any non-public information to, any person relating to, an Acquisition Proposal (as defined in the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The Go Shop Period Solicitation of Other Offers).

The termination of the Merger Agreement by Ellie Mae following the Board of Directors authorization for Ellie Mae to enter into a definitive agreement to consummate an alternative transaction contemplated by a Superior

Table of Contents

Proposal will result in the payment by Ellie Mae of a termination fee of either (1) $55 million if the Merger Agreement had been terminated prior to the No Shop Period Start Date (other than with respect to a Restricted Party) or (2) $110 million if the Merger Agreement is terminated after the No Shop Period Start Date or, with respect to a Restricted Party, before or after the No Shop Period Start Date. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The Board of Directors Recommendation; Company Board Recommendation Change.

The No Shop Period No Solicitation of Other Acquisition Proposals

Under the Merger Agreement, from the No Shop Period Start Date until the Effective Time, Ellie Mae may not: (1) solicit, initiate, propose or induce or knowingly encourage, facilitate or assist any inquiries regarding any Acquisition Proposal or (2) engage in discussions or negotiations with, or provide any non-public information to, any person relating to, an Acquisition Proposal.

Notwithstanding the foregoing restrictions, under specified certain circumstances, from the No Shop Period Start Date until the adoption of the Merger Agreement by Ellie Mae stockholders, Ellie Mae may provide information to, and engage or participate in negotiations or substantive discussions with, a person in respect of an Acquisition Proposal, and otherwise facilitate such Acquisition Proposal or assist such person (and its Representatives and financing sources) with such Acquisition Proposal (in each case, if requested by such person and such Acquisition Proposal did not result from any material breach of Ellie Mae s obligations, as described in the immediately preceding paragraph) if (and only if) the Board of Directors (or a committee thereof) determines in good faith (after consultation with its financial advisor and its outside legal counsel) that such Acquisition Proposal either constitutes a Superior Proposal or is reasonably likely to lead to a Superior Proposal, and, in each case, the failure to act in respect of such Acquisition Proposal would be inconsistent with the Board of Directors fiduciary duties to stockholders under applicable law. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The No Shop Period No Solicitation of Other Offers.

After the No Shop Period Start Date but prior to the adoption of the Merger Agreement by Ellie Mae stockholders, Ellie Mae is entitled to terminate the Merger Agreement for the purpose of entering into an agreement in respect of a Superior Proposal if it complies with certain procedures in the Merger Agreement, including, but not limited to, negotiating with Parent in good faith over a two business day period in an effort to amend the terms and conditions of the Merger Agreement, so that such Superior Proposal no longer constitutes a Superior Proposal relative to the transactions contemplated by the Merger Agreement, as amended pursuant to such negotiations.

The termination of the Merger Agreement by Ellie Mae following the Board of Directors authorization for Ellie Mae to enter into a definitive agreement to consummate an alternative transaction contemplated by a Superior Proposal will result in the payment by Ellie Mae of a termination fee of either (1) $55 million if the Merger Agreement had been terminated prior to the No Shop Period Start Date (other than with respect to a Restricted Party) or (2) $110 million if the Merger Agreement is terminated after the No Shop Period Start Date or, with respect to a Restricted Party, before or after the No Shop Period Start Date. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement The Board of Directors Recommendation; Company Board Recommendation Change.

Termination of the Merger Agreement

In addition to the circumstances described above, Parent and Ellie Mae have certain rights to terminate the Merger Agreement under customary circumstances, including by mutual agreement, the imposition of laws or

9

Table of Contents

non-appealable court orders that make the Merger illegal or otherwise prohibit the Merger, an uncured breach of the Merger Agreement by the other party, if the Merger has not been consummated by 11:59 p.m., Pacific time, on August 11, 2019, or if Ellie Mae stockholders fail to adopt the Merger Agreement at the Special Meeting (or any adjournment or postponement thereof). Under some circumstances, (1) Ellie Mae is required to pay Parent a termination fee equal to either $55 million or $110 million; and (2) Parent is required to pay Ellie Mae a termination fee equal to $256 million. Please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Termination Fee.

Effect on Ellie Mae if the Merger is Not Completed

If the Merger Agreement is not adopted by Ellie Mae stockholders, or if the Merger is not completed for any other reason:

i. the stockholders will not be entitled to, nor will they receive, any payment for their respective shares of Ellie Mae common stock pursuant to the Merger Agreement;

ii. (a) Ellie Mae will remain an independent public company; (b) Ellie Mae common stock will continue to be listed and traded on NYSE and registered under the Exchange Act; and (c) Ellie Mae will continue to file periodic reports with the SEC; and

iii. under certain specified circumstances, Ellie Mae will be required to pay Parent a termination fee of either $55 million or $110 million upon the termination of the Merger Agreement. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Termination Fee.

Table of Contents

QUESTIONS AND ANSWERS

The following questions and answers address some commonly asked questions regarding the Merger, the Merger Agreement and the Special Meeting. These questions and answers may not address all questions that are important to you. You should carefully read and consider the more detailed information contained elsewhere in this proxy statement and the annexes to this proxy statement, including, but not limited to, the Merger Agreement, along with all of the documents we refer to in this proxy statement, as they contain important information about, among other things, the Merger and how it affects you. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under the caption, Where You Can Find More Information.

Q: **Why am I receiving these materials?**

A: The Board of Directors is furnishing this proxy statement and form of proxy card to the holders of shares of Ellie Mae common stock in connection with the solicitation of proxies to be voted at the Special Meeting.

Q: **When and where is the Special Meeting?**

A: The Special Meeting will take place on April 15, 2019, at Ellie Mae s offices, located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, at 9 a.m., Pacific time.

Q: **What am I being asked to vote on at the Special Meeting?**

A: You are being asked to vote on the following proposals:

to adopt the Merger Agreement pursuant to which Merger Sub will merge with and into Ellie Mae, and Ellie Mae will become a wholly owned subsidiary of Parent;

to approve, on an advisory (non-binding) basis, the Compensation Proposal; and

to approve the adjournment of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Q: **Who is entitled to vote at the Special Meeting?**

A:

Stockholders as of the Record Date are entitled to notice of the Special Meeting and to vote at the Special Meeting. Each holder of Ellie Mae common stock shall be entitled to cast one (1) vote on each matter properly brought before the Special Meeting for each such share owned at the close of business on the Record Date.

Q: **May I attend the Special Meeting and vote in person?**

A: Yes. All stockholders as of the Record Date may attend the Special Meeting and vote in person. Seating will be limited. Stockholders will need to present proof of ownership of shares of Ellie Mae common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the Special Meeting. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Special Meeting.

Even if you plan to attend the Special Meeting in person, to ensure that your shares will be represented at the Special Meeting, we encourage you to sign, date and return the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card). If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy previously submitted.

If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your broker or other agent cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement, without your instructions. If you hold your shares in street name, you may not vote your shares in person at the Special Meeting unless you obtain a legal proxy from your bank, broker or other nominee.

Table of Contents

Q: **What will I receive if the Merger is completed?**

A: Upon completion of the Merger, you will be entitled to receive the Per Share Merger Consideration of $99.00 in cash, less any applicable withholding taxes, for each share of Ellie Mae common stock that you own, unless you have properly exercised and not withdrawn your appraisal rights under the DGCL. For example, if you own 100 shares of Ellie Mae common stock, you will receive $9,900 in cash in exchange for your shares of Ellie Mae common stock, less any applicable withholding taxes.

Q: **What vote is required to adopt the Merger Agreement?**

A: The affirmative vote of the holders of a majority of the outstanding shares of Ellie Mae common stock is required to adopt the Merger Agreement.

If a quorum is present at the Special Meeting, the failure of any stockholder of record to: (1) submit a signed proxy card; (2) grant a proxy over the Internet or by telephone (using the instructions provided in the enclosed proxy card); or (3) vote in person by ballot at the Special Meeting will have the same effect as a vote **AGAINST** the proposal to adopt the Merger Agreement. If you hold your shares in street name and a quorum is present at the Special Meeting, the failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote **AGAINST** the proposal to adopt the Merger Agreement. If a quorum is present at the Special Meeting, abstentions will have the same effect as a vote **AGAINST** the proposal to adopt the Merger Agreement. Each broker non-vote will also count as a vote **AGAINST** the proposal to adopt the Merger Agreement but will have no effect on the Compensation Proposal or any proposal to adjourn the Special Meeting to a later date or dates to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting. **If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting**.

Q: **What happens if the Merger is not completed?**

A: If the Merger Agreement is not adopted by stockholders or if the Merger is not completed for any other reason, stockholders will not receive any payment for their shares of Ellie Mae common stock. Instead, Ellie Mae will remain an independent public company, Ellie Mae common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act, and we will continue to file periodic reports with the SEC.

Under specified circumstances, Ellie Mae will be required to pay Parent a termination fee of either $55 million or $110 million upon the termination of the Merger Agreement, as described in the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Termination Fee.

Q: **Why are the stockholders being asked to cast an advisory (non-binding) vote to approve the Compensation Proposal?**

A: The Exchange Act and applicable SEC rules thereunder require Ellie Mae to seek an advisory (non-binding) vote with respect to certain payments that could become payable to its named executive officers in connection with the Merger.

Q: **What vote is required to approve the Compensation Proposal?**

A: The affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the subject matter is required for approval of the Compensation Proposal.

Table of Contents

Q: **What will happen if the stockholders do not approve the Compensation Proposal at the Special Meeting?**

A: Approval of the Compensation Proposal is not a condition to the completion of the Merger. The vote with respect to the Compensation Proposal is an advisory vote and will not be binding on Ellie Mae. Therefore, if the other requisite stockholder approvals are obtained and the Merger is completed, the amounts payable under the Compensation Proposal will continue to be payable to Ellie Mae s named executive officers in accordance with the terms and conditions of the applicable agreements.

Q: **What do I need to do now?**

A: You should carefully read and consider this entire proxy statement and the annexes to this proxy statement, including, but not limited to, the Merger Agreement, along with all of the documents that we refer to in this proxy statement, as they contain important information about, among other things, the Merger and how it affects you. Then sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope, or grant your proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card), so that your shares can be voted at the Special Meeting, unless you wish to seek appraisal. If you hold your shares in street name, please refer to the voting instruction forms provided by your bank, broker or other nominee to vote your shares.

Q: **Should I surrender my book-entry shares now?**

A: No. After the Merger is completed, the payment agent will send each holder of record a letter of transmittal and written instructions that explain how to exchange shares of Ellie Mae common stock represented by such holder s book-entry shares for merger consideration.

Q: **What happens if I sell or otherwise transfer my shares of Ellie Mae common stock after the Record Date but before the Special Meeting?**

A: The Record Date for the Special Meeting is earlier than the date of the Special Meeting and the date the Merger is expected to be completed. If you sell or transfer your shares of Ellie Mae common stock after the Record Date but before the Special Meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares and each of you notifies Ellie Mae in writing of such special arrangements, you will transfer the right to receive the Per Share Merger Consideration, if the Merger is completed, to the person to whom you sell or transfer your shares, but you will retain your right to vote those shares at the Special Meeting. **Even if you sell or otherwise transfer your shares of Ellie Mae common stock after the Record Date, we encourage you to sign, date and return the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card).**

Q: **What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

A: If your shares are registered directly in your name with our transfer agent, Equiniti Group (formerly Wells Fargo Shareowner Services), you are considered, with respect to those shares, to be the stockholder of record. In this case, this proxy statement and your proxy card have been sent directly to you by Ellie Mae.

If your shares are held through a bank, broker or other nominee, you are considered the beneficial owner of shares of Ellie Mae common stock held in street name. In that case, this proxy statement has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You are also invited to attend the Special Meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the Special Meeting unless you obtain a legal proxy from your bank, broker or other nominee.

Table of Contents

Q: **How may I vote?**

A: If you are a stockholder of record (that is, if your shares of Ellie Mae common stock are registered in your name with Equiniti Group (formerly Wells Fargo Shareowner Services), our transfer agent), there are four ways to vote:

by signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope;

by visiting the Internet at the address on your proxy card;

by calling toll-free (within the U.S. or Canada) at the phone number on your proxy card; or

by attending the Special Meeting and voting in person by ballot.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of Ellie Mae common stock, and to confirm that your voting instructions have been properly recorded when voting electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card). Please be aware that, although there is no charge for voting your shares, if you vote electronically over the Internet or by telephone, you may incur costs such as Internet access and telephone charges for which you will be responsible.

Even if you plan to attend the Special Meeting in person, you are strongly encouraged to vote your shares of Ellie Mae common stock by proxy. If you are a record holder or if you obtain a legal proxy to vote shares that you beneficially own, you may still vote your shares of Ellie Mae common stock in person by ballot at the Special Meeting even if you have previously voted by proxy. If you are present at the Special Meeting and vote in person by ballot, your previous vote by proxy will not be counted.

If your shares are held in street name through a bank, broker or other nominee, you may vote through your bank, broker or other nominee by completing and returning the voting form provided by your bank, broker or other nominee, or, if such a service is provided by your bank, broker or other nominee, electronically over the Internet or by telephone. To vote over the Internet or by telephone through your bank, broker or other nominee, you should follow the instructions on the voting form provided by your bank, broker or nominee.

Q: **If my broker holds my shares in street name, will my broker vote my shares for me?**

A: No. Your bank, broker or other nominee is permitted to vote your shares on any proposal currently scheduled to be considered at the Special Meeting only if you instruct your bank, broker or other nominee how to vote. You should follow the procedures provided by your bank, broker or other nominee to vote your shares. Without instructions, your shares will not be voted on such proposals, which will have the same effect as if you voted against adoption of the Merger Agreement but will have no effect on the adjournment proposal.

Q: **May I change my vote after I have mailed my signed and dated proxy card?**

A: Yes. If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is voted at the Special Meeting by:

signing another proxy card with a later date and returning it to us prior to the Special Meeting;

submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

delivering a written notice of revocation to the Corporate Secretary of Ellie Mae; or

attending the Special Meeting and voting in person by ballot.

If you hold your shares of Ellie Mae common stock in street name, you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the Special Meeting if you obtain a legal proxy from your bank, broker or other nominee.

Table of Contents

Q: **What is a proxy?**

A: A proxy is your legal designation of another person to vote your shares of Ellie Mae common stock. The written document describing the matters to be considered and voted on at the Special Meeting is called a proxy statement. The document used to designate a proxy to vote your shares of Ellie Mae common stock is called a proxy card. Jonathan Corr, our President and Chief Executive Officer, and Dan Madden, our Executive Vice President and Chief Financial Officer, are the proxy holders for the Special Meeting, with full power of substitution and re-substitution.

Q: **If a stockholder gives a proxy, how are the shares voted?**

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, or your proxies, will vote your shares in the way that you indicate. When completing the Internet or telephone process or the proxy card, you may specify whether your shares should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the Special Meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Q: **What should I do if I receive more than one set of voting materials?**

A: Please sign, date and return (or grant your proxy electronically over the Internet or by telephone using the instructions provided in the enclosed proxy card) each proxy card and voting instruction card that you receive.

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card.

Q: **Where can I find the voting results of the Special Meeting?**

A: Ellie Mae intends to publish final voting results in a Current Report on Form 8-K to be filed with the SEC following the Special Meeting. All reports that Ellie Mae files with the SEC are publicly available when filed. For more information, please see the section of this proxy statement captioned Where You Can Find More Information.

Q: **When do you expect the Merger to be completed?**

A: We are working toward completing the Merger as quickly as possible and currently expect to complete the Merger in the second or third calendar quarter of 2019. However, the exact timing of completion of the Merger cannot be predicted because the Merger is subject to the closing conditions specified in the Merger Agreement, many of which are outside of our control.

Q: **Who can help answer my questions?**

A: If you have any questions concerning the Merger, the Special Meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of Ellie Mae common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway, 27th Floor

New York, NY 10018

(212) 929-5500 (Call Collect)

Call Toll-free: (800) 322-2885

proxy@mackenziepartners.com

Table of Contents

FORWARD-LOOKING STATEMENTS

This proxy statement, and any documents to which Ellie Mae refers to in this proxy statement, contains not only historical information, but also forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent Ellie Mae s current expectations or beliefs concerning future events, including but not limited to the expected completion and timing of the proposed transaction, expected benefits and costs of the proposed transaction, management plans and other information relating to the proposed transaction, strategies and objectives of Ellie Mae for future operations and other information relating to the proposed transaction. Without limiting the foregoing, the words believes, anticipates, plans, expects, intend forecasts, should, estimates, contemplate, future, goal, potential, predict, project, projection, tar could, should, would, assuming, depend and similar expressions are intended to identify forward-looking statem Stockholders are cautioned that any forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks detailed in our filings with the SEC, including in our most recent filings on Forms 10-K and 10-Q, factors and matters described or incorporated by reference in this proxy statement, and the following factors:

- the inability to complete the Merger due to the failure to obtain stockholder approval or failure to satisfy the other conditions to the completion of the Merger, including, but not limited to, receipt of required regulatory approvals;

- the risk that the Merger Agreement may be terminated in certain circumstances that require us to pay Parent a termination fee of either $55 million or $110 million;

- the outcome of any legal proceedings that may be instituted against us and others related to the Merger Agreement;

- risks that the proposed Merger disrupts our current operations or affects our ability to retain or recruit key employees;

- the fact that receipt of the all-cash Per Share Merger Consideration would be taxable to Ellie Mae stockholders that are treated as U.S. Holders (as defined under the caption The Merger Material U.S. Federal Income Tax Consequences of the Merger) for U.S. federal income tax purposes;

- the fact that, if the Merger is completed, stockholders will forgo the opportunity to realize the potential long-term value of the successful execution of Ellie Mae s current strategy as an independent public company;

- the fact that under the terms of the Merger Agreement, Ellie Mae is unable to solicit other Acquisition Proposals after the No Shop Period Start Date;

the effect of the announcement or pendency of the Merger on our business relationships, operating results and business generally;

the amount of the costs, fees, expenses and charges related to the Merger Agreement or the Merger;

risks related to the Merger diverting management s or employees attention from ongoing business operations;

risks that our stock price may decline significantly if the Merger is not completed; and

risks related to obtaining the requisite consents to the Merger, including the timing and receipt of regulatory approvals from various governmental entities, including any conditions, limitations or restrictions placed on these approvals, and the risk that one or more governmental entities may deny approval.

Consequently, all of the forward-looking statements that we make in this proxy statement are qualified by the information contained or incorporated by reference herein, including: (1) the information contained under this

Table of Contents

caption; and (2) the information contained under the caption Risk Factors, and information in our consolidated financial statements and notes thereto included in our most recent filings on Forms 10-K and 10-Q. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. Stockholders are advised to consult any future disclosures that we make on related subjects as may be detailed in our other filings made from time to time with the SEC.

Table of Contents

THE SPECIAL MEETING

The enclosed proxy is solicited on behalf of the Board of Directors for use at the Special Meeting.

Date, Time and Place

We will hold the Special Meeting on April 15, 2019, at Ellie Mae s principal offices, located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, at 9 a.m., Pacific time.

Purpose of the Special Meeting

At the Special Meeting, we will ask stockholders to vote on proposals to: (1) adopt the Merger Agreement; (2) approve, on an advisory (non-binding) basis, the Compensation Proposal; and (3) adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Record Date; Shares Entitled to Vote; Quorum

Only stockholders of record as of the Record Date are entitled to notice of the Special Meeting and to vote at the Special Meeting. A list of stockholders entitled to vote at the Special Meeting will be available at our principal executive offices located at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588, during regular business hours for a period of no less than 10 days before the Special Meeting and at the place of the Special Meeting during the meeting.

As of the Record Date, there were 35,044,413 shares of Ellie Mae common stock outstanding and entitled to vote at the Special Meeting.

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at the Special Meeting. In the event that a quorum is not present at the Special Meeting, it is expected that the meeting will be adjourned to solicit additional proxies.

Vote Required; Abstentions and Broker Non-Votes

The affirmative vote of the holders of a majority of the outstanding shares of Ellie Mae common stock is required to adopt the Merger Agreement. As of the Record Date, 17,522,208 votes constitute a majority of the outstanding shares of Ellie Mae common stock. Adoption of the Merger Agreement by stockholders is a condition to the closing of the Merger.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the subject matter is required to approve, on an advisory (non-binding) basis, the Compensation Proposal.

Approval of the proposal to adjourn the Special Meeting, whether or not a quorum is present, requires the affirmative vote of a majority of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the subject matter.

If a stockholder abstains from voting, that abstention will have the same effect as if the stockholder voted **AGAINST** the proposal to adopt the Merger Agreement and **AGAINST** the proposal to approve, on an advisory (non-binding)

basis, the Compensation Proposal. For stockholders who attend the meeting or are represented by proxy and abstain from voting, the abstention will have the same effect as if the stockholder voted **AGAINST** any proposal to adjourn the Special Meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Table of Contents

Each broker non-vote will also count as a vote **AGAINST** the proposal to adopt the Merger Agreement but will have no effect on the Compensation Proposal or any proposal to adjourn the Special Meeting to a later date or dates to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting. A broker non-vote generally occurs when a bank, broker or other nominee holding shares on your behalf does not vote on a proposal because the bank, broker or other nominee has not received your voting instructions and lacks discretionary power to vote the shares. Broker non-votes, if any, will be counted for the purpose of determining whether a quorum is present.

Shares Held by Ellie Mae s Directors and Executive Officers

As of the Record Date, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, 323,664 shares of Ellie Mae common stock, representing approximately 0.92% of the shares of Ellie Mae common stock outstanding on the Record Date (and approximately 2.57% of the total shares of Ellie Mae common stock outstanding when taking into account Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Awards held, in the aggregate, by our directors and executive officers).

Our directors and executive officers have informed us that they currently intend to vote all of their respective shares of Ellie Mae common stock (1) **FOR** the adoption of the Merger Agreement, (2) **FOR** , on an advisory (non-binding) basis, the Compensation Proposal, and (3) **FOR** the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Voting of Proxies

If your shares are registered in your name with our transfer agent, Equiniti Group (formerly Wells Fargo Shareowner Services), you may cause your shares to be voted by returning a signed and dated proxy card in the accompanying prepaid envelope, or you may vote in person at the Special Meeting. Additionally, you may grant a proxy electronically over the Internet or by telephone (using the instructions provided in the enclosed proxy card). You must have the enclosed proxy card available and follow the instructions on the proxy card in order to grant a proxy electronically over the Internet or by telephone. Based on your proxy cards or Internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the Special Meeting and wish to vote in person, you will be given a ballot at the Special Meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the Special Meeting in person. If you attend the Special Meeting and vote in person by ballot, your vote will revoke any previously submitted proxy.

Voting instructions are included on your proxy card. All shares represented by properly signed and dated proxies received in time for the Special Meeting will be voted at the Special Meeting in accordance with the instructions of the stockholder. Properly signed and dated proxies that do not contain voting instructions will be voted: (1) **FOR** adoption of the Merger Agreement; (2) **FOR** , on an advisory (non-binding) basis, the Compensation Proposal; and (3) **FOR** the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

If your shares are held in street name through a bank, broker or other nominee, you may vote through your bank, broker or other nominee by completing and returning the voting form provided by your bank, broker or other nominee or attending the Special Meeting and voting in person with a legal proxy from your bank, broker or other nominee. If such a service is provided, you may vote over the Internet or telephone through your bank, broker or other nominee by

following the instructions on the voting form provided by your bank, broker or other nominee. If you do not return your bank s, broker s or other nominee s voting form, do not vote via the Internet

Table of Contents

or telephone through your bank, broker or other nominee, if possible, or do not attend the Special Meeting and vote in person with a legal proxy from your bank, broker or other nominee, it will have the same effect as if you voted **AGAINST** the proposal to adopt the Merger Agreement but will not have any effect on the Compensation Proposal or the adjournment proposal.

Revocability of Proxies

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is voted at the Special Meeting by:

- signing another proxy card with a later date and returning it to us prior to the Special Meeting;
- submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;
- delivering a written notice of revocation to our Corporate Secretary; or
- attending the Special Meeting and voting in person by ballot.

If you have submitted a proxy, your appearance at the Special Meeting will not have the effect of revoking your prior proxy; provided that you do not vote in person or submit an additional proxy or revocation, which, in each case, will have the effect of revoking your proxy.

If you hold your shares of Ellie Mae common stock in street name, you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the Special Meeting if you obtain a legal proxy from your bank, broker or other nominee.

Any adjournment, postponement or other delay of the Special Meeting, including for the purpose of soliciting additional proxies, will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use at the Special Meeting as adjourned, postponed or delayed.

Board of Directors Recommendation

The Board of Directors has unanimously: (1) determined that it is in the best interests of Ellie Mae and its stockholders, and declared it advisable, to enter into the Merger Agreement and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement; (2) approved the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (3) resolved to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL.

The Board of Directors unanimously recommends that you vote: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are

insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Solicitation of Proxies

The expense of soliciting proxies will be borne by Ellie Mae. We have retained MacKenzie Partners, Inc. (MacKenzie), a proxy solicitation firm, to solicit proxies in connection with the Special Meeting at a cost of approximately $17,500 plus expenses. We will also indemnify MacKenzie against losses arising out of its provisions of these services on our behalf. In addition, we may reimburse banks, brokers and other nominees representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies may also be solicited by our directors, officers and employees, personally or by telephone, email, fax, over the Internet or other means of communication. No additional compensation will be paid for such services.

Table of Contents

Anticipated Date of Completion of the Merger

Assuming timely satisfaction of necessary closing conditions, including the approval by stockholders of the proposal to adopt the Merger Agreement, we anticipate that the Merger will be consummated in the second or third calendar quarter of 2019.

Appraisal Rights

If the Merger is consummated, stockholders who continuously hold shares of Ellie Mae common stock through the Effective Time, who do not vote in favor of the adoption of the Merger Agreement and who properly demand appraisal of their shares and do not withdraw their demands or otherwise lose their rights to seek appraisal will be entitled to seek appraisal of their shares in connection with the Merger under Section 262 of the DGCL. This means that holders of shares of Ellie Mae common stock who perfect their appraisal rights, who do not thereafter withdraw their demand for appraisal, and who follow the procedures in the manner prescribed by Section 262 of the DGCL may be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of their shares of Ellie Mae common stock, exclusive of any elements of value arising from the accomplishment or expectation of the Merger, as determined by the Delaware Court of Chancery, together with interest to be paid on the amount determined to be fair value, if any, (or in certain circumstances described in further detail in the section of this proxy statement captioned The Merger Appraisal Rights, on the difference between the amount determined to be the fair value and the amount paid by the Surviving Corporation in the Merger to each stockholder entitled to appraisal prior to the entry of judgment in any appraisal proceeding). Due to the complexity of the appraisal process, stockholders who wish to seek appraisal of their shares are encouraged to review Section 262 of the DGCL carefully and to seek the advice of legal counsel with respect to the exercise of appraisal rights.

Stockholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration that they would receive pursuant to the Merger Agreement if they did not seek appraisal of their shares.

To exercise your appraisal rights, you must: (1) submit a written demand for appraisal to Ellie Mae before the vote is taken on the adoption of the Merger Agreement; (2) not submit a proxy or otherwise vote in favor of the proposal to adopt the Merger Agreement; (3) continue to hold your shares of Ellie Mae common stock of record through the Effective Time; and (4) strictly comply with all other procedures for exercising appraisal rights under Section 262 of the DGCL. Your failure to follow exactly the procedures specified under Section 262 of the DGCL may result in the loss of your appraisal rights. In addition, the Delaware Court of Chancery will dismiss appraisal proceedings in respect of the Merger unless certain stock ownership conditions are satisfied by the stockholders seeking appraisal. The DGCL requirements for exercising appraisal rights are described in further detail in the section of this proxy statement captioned The Merger Appraisal Rights, which is qualified in its entirety by Section 262 of the DGCL, the relevant section of the DGCL regarding appraisal rights. A copy of Section 262 of the DGCL is reproduced and attached as Annex C to this proxy statement and incorporated herein by reference. If you hold your shares of Ellie Mae common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such bank, brokerage firm or nominee.

Delisting and Deregistration of Ellie Mae common stock

If the Merger is completed, the shares of Ellie Mae common stock will be delisted from NYSE and deregistered under the Exchange Act, and shares of Ellie Mae common stock will no longer be publicly traded.

21

Table of Contents

Other Matters

At this time, we know of no other matters to be voted on at the Special Meeting. If any other matters properly come before the Special Meeting, your shares of Ellie Mae common stock will be voted in accordance with the discretion of the appointed proxy holders.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 15, 2019

The proxy statement is available at *investor.elliemae.com* and clicking on the link titled SEC Filings .

Householding of Special Meeting Materials

Unless we have received contrary instructions, we may send a single copy of this proxy statement to any household at which two or more stockholders reside if we believe the stockholders are members of the same family. Each stockholder in the household will continue to receive a separate proxy card. This process, known as householding, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

If you would like to receive your own set of our disclosure documents this year or in future years, please contact us using the instructions set forth below. Similarly, if you share an address with another stockholder and together both of you would like to receive only a single set of our disclosure documents, please contact us using the instructions set forth below.

If you are a stockholder of record, you may contact us by writing to Ellie Mae Investor Relations at 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588. Eligible stockholders of record receiving multiple copies of this proxy statement can request householding by contacting us in the same manner. If a bank, broker or other nominee holds your shares, please contact your bank, broker or other nominee directly.

Questions and Additional Information

If you have any questions concerning the Merger, the Special Meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of Ellie Mae common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway, 27th Floor

New York, NY 10018

(212) 929-5500 (Call Collect)

Call Toll-free: (800) 322-2885

proxy@mackenziepartners.com

22

Table of Contents

THE MERGER

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. You should carefully read and consider the entire Merger Agreement, which is the legal document that governs the Merger, because this document contains important information about the Merger and how it affects you.

Parties Involved in the Merger

Ellie Mae, Inc.

4420 Rosewood Drive, Suite 500

Pleasanton, CA 94588

(925) 227-7000

Headquartered in Pleasanton, California, Ellie Mae is the leading cloud-based platform provider for the mortgage finance industry. Ellie Mae s technology solutions enable lenders to originate more loans, lower origination costs, and reduce the time to close, all while ensuring the highest levels of compliance, quality and efficiency. Ellie Mae common stock is listed on The NYSE Global Market (NYSE) under the symbol ELLI .

EM Eagle Purchaser, LLC

c/o Thoma Bravo, LLC

600 Montgomery Street, 20th Floor

San Francisco, CA 94111

(415) 263-3660

Parent was formed on February 11, 2019, solely for the purpose of engaging in the transactions contemplated by the Merger Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Merger Agreement and arranging of the equity financing and any debt financing in connection with the Merger.

EM Eagle Merger Sub, Inc.

c/o Thoma Bravo, LLC

600 Montgomery Street, 20th Floor

San Francisco, CA 94111

(415) 263-3660

Merger Sub is a wholly owned subsidiary of Parent and was formed on February 11, 2019, solely for the purpose of engaging in the transactions contemplated by the Merger Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Merger Agreement and arranging of the equity financing and any debt financing in connection with the Merger.

Parent and Merger Sub are each affiliated with Thoma Bravo Fund XIII, L.P. (the Thoma Bravo Fund), and Parent, Merger Sub and the Thoma Bravo Fund are each affiliated with Thoma Bravo, LLC (Thoma Bravo). Thoma Bravo is a leading private equity investment firm focused on the software and technology-enabled services sectors. At the Effective Time, Ellie Mae, as the Surviving Corporation, will be indirectly owned by the Thoma Bravo Fund, Thoma Bravo Fund XIII-A, L.P. and Thoma Bravo Executive Fund XIII, L.P., each an affiliate of Thoma Bravo.

In connection with the transactions contemplated by the Merger Agreement, the Thoma Bravo Fund has provided Parent with an equity commitment sufficient to fund the aggregate purchase price required to be paid at the closing of the Merger and to also fund, together with cash on hand at Ellie Mae, certain fees and expenses to be paid at the closing of the Merger, contemplated by, and subject to the terms and conditions of, the Merger

Table of Contents

Agreement. For more information, please see the section of this proxy statement captioned Financing of the Merger.

Effect of the Merger

Upon the terms and subject to the conditions of the Merger Agreement, Merger Sub will merge with and into Ellie Mae and the separate corporate existence of Merger Sub will cease, with Ellie Mae continuing as the Surviving Corporation. As a result of the Merger, Ellie Mae will become a wholly owned subsidiary of Parent, and Ellie Mae common stock will no longer be publicly traded and will be delisted from NYSE. In addition, Ellie Mae common stock will be deregistered under the Exchange Act, and we will no longer file periodic reports with the SEC. If the Merger is completed, you will not own any shares of the capital stock of the Surviving Corporation.

The Effective Time will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware (or at such later time as we, Parent and Merger Sub may agree and specify in the certificate of merger).

Effect on Ellie Mae if the Merger is Not Completed

If the Merger Agreement is not adopted by stockholders, or if the Merger is not completed for any other reason:

i. the stockholders will not be entitled to, nor will they receive, any payment for their respective shares of Ellie Mae common stock pursuant to the Merger Agreement;

ii. (a) Ellie Mae will remain an independent public company; (b) Ellie Mae common stock will continue to be listed and traded on NYSE and registered under the Exchange Act; and (c) Ellie Mae will continue to file periodic reports with the SEC;

iii. we anticipate that (a) management will operate the business in a manner similar to that in which it is being operated today and (b) stockholders will be subject to similar types of risks and uncertainties as those to which they are currently subject, including, but not limited to, risks and uncertainties with respect to Ellie Mae s business, prospects and results of operations, as such may be affected by, among other things, the highly competitive industry in which Ellie Mae operates and economic conditions;

iv. the price of Ellie Mae common stock may decline significantly, and if that were to occur, it is uncertain when, if ever, the price of Ellie Mae common stock would return to the price at which it trades as of the date of this proxy statement;

v. the Board of Directors will continue to evaluate and review Ellie Mae s business operations, strategic direction and capitalization, among other things, and will make such changes as are deemed appropriate; irrespective of these efforts, it is possible that no other transaction acceptable to the Board of Directors will be offered or that Ellie Mae s business, prospects and results of operations will be adversely impacted; and

vi.

under specified circumstances, Ellie Mae will be required to pay Parent a termination fee of either $55 million or $110 million upon the termination of the Merger Agreement, as described in the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Termination Fee.

Merger Consideration

At the Effective Time, each share of Ellie Mae common stock (other than Excluded Shares, which include, for example, shares of Ellie Mae common stock owned by stockholders who have properly and validly exercised their statutory rights of appraisal in accordance with Section 262 of the DGCL) outstanding as of immediately prior to the Effective Time will be cancelled and automatically converted into the right to receive the Per Share Merger Consideration, less any applicable withholding taxes.

Table of Contents

After the Merger is completed, you will have the right to receive the Per Share Merger Consideration in respect of each share of Ellie Mae common stock that you own (less any applicable withholding taxes), but you will no longer have any rights as a stockholder (except that stockholders who properly exercise their appraisal rights will have a right to receive payment of the fair value of their shares as determined pursuant to an appraisal proceeding, as contemplated by Delaware law). For more information, please see the section of this proxy statement captioned Appraisal Rights.

Background of the Merger

The Board of Directors, with Ellie Mae senior management and outside advisors, regularly and in the ordinary course of business, reviews and assesses Ellie Mae s then existing long-term strategy, financial performance and operations in light of developments in Ellie Mae s business and overall developments in the industry in which it operates, taking into account the overall performance of the market and the mortgage industry generally. As part of this ongoing review and assessment, the Board of Directors considers various alternatives to Ellie Mae s long-term strategy, including alternatives involving the continuation of Ellie Mae s long-term business plan, possible strategic acquisitions to expand the markets that Ellie Mae serves or increase the service offerings in its existing markets, and the possible sale of Ellie Mae to a third party.

From time to time, members of Ellie Mae senior management have had high level discussions with market participants, including financial sponsors and strategic parties, regarding potential strategic transactions in order to assist the Board of Directors in understanding market developments and how these developments may impact long-term strategy. Since January 2016 and prior to the discussions below, none of these customary business discussions progressed beyond a preliminary stage with respect to a sale of Ellie Mae nor did Ellie Mae execute a confidentiality or standstill agreement outside the ordinary course of business with such parties other than as discussed below.

Starting in October 2018, representatives of Thoma Bravo and two other financial sponsors (referred to as Party A and Party B , respectively) each independently requested meetings with Jonathan Corr, Ellie Mae s Chief Executive Officer. Promptly after receiving these inquiries, Mr. Corr provided updates to, and discussed overall communication strategy in response to this outreach with, certain members of the Board of Directors, and, following these discussions, Mr. Corr deferred substantive meetings with these financial sponsors until after the next regularly scheduled meeting of the Board of Directors.

On October 31, 2018, as part of his role in gauging the market to assist the Board of Directors in understanding market developments, Mr. Corr responded to the inquiry from Party A to facilitate a meeting following the regularly scheduled meeting of the Board of Directors on November 14, 2018.

On November 3, 2018, Mr. Corr had a preliminary meeting with representatives of Party A (at an event that both parties attended) and briefly discussed Party A s general interests in exploring a strategic transaction.

On November 7, 2018, Mr. Corr scheduled a December meeting with representatives of Party B.

On November 14, 2018, a representative of Thoma Bravo contacted Mr. Corr to request a meeting regarding Thoma Bravo s interest in pursuing a strategic transaction with Ellie Mae**.**

On that same day, the Board of Directors held a regularly scheduled meeting at Ellie Mae s headquarters with members of Ellie Mae senior management and representatives of Cooley LLP (Cooley), Ellie Mae s outside legal counsel. In light of the recent discussions with Party A and the overall performance of the mortgage industry and its impact on stockholder value, the Board of Directors invited representatives of two financial advisors, including J.P. Morgan, to

provide an overview of Ellie Mae s performance and the overall market dynamics in order to inform the Board of Directors ongoing assessment of Ellie Mae s long-term strategy. One of the financial advisors presented an overview of the state of the financial markets, including recent market trends in acquisitions of publicly traded SaaS companies by financial sponsors, and J.P. Morgan presented on the

Table of Contents

state of the capital markets as a potential means for Ellie Mae to fund acquisitions as part of Ellie Mae s long-term strategic stand-alone plan. The Board of Directors then considered a range of alternatives presented by these financial advisors to enhance stockholder value in light of the overall performance of the mortgage industry and the inbound inquiries from Party A, Party B and Thoma Bravo to meet with Ellie Mae management, as well as the increased likelihood for inbound and unsolicited proposals from other third parties to discuss strategic alternatives due to Ellie Mae s recent earnings announcement and forecast. Representatives of Cooley advised the Board of Directors with respect to fiduciary duties attendant to addressing inbound inquiries and any strategic transaction process, should such activity materialize. The Board of Directors then discussed the utilization of a strategic transaction committee (the Transaction Committee), in order to ensure that the Board of Directors could evaluate and manage an appropriate process on an expedited basis in the event that any third party prompted a strategic discussion with Ellie Mae. At the conclusion of this discussion, the Board of Directors established the Transaction Committee and designated Craig Davis, Karen Blasing and Robert Levin as members of the Transaction Committee due to their independence, experience with strategic transactions, existing roles on the Board of Directors, and willingness to serve on the Transaction Committee. Craig Davis agreed to serve as Chairperson for the Transaction Committee. The Board of Directors delegated to the Transaction Committee the authority to evaluate and make recommendations to the Board of Directors regarding any indications of interest, to review and recommend that the Board of Directors approve the engagement of potential financial advisors to assist in any strategic transaction process, and to advise and oversee Ellie Mae senior management in the review and negotiation of any strategic alternatives, noting that such utilization was for convenience only and not to address any conflicts of interest. The Board of Directors specifically requested that the Transaction Committee meet with select investment banking teams, following discussion with management, to present qualifications to the Transaction Committee in preparation for any inbound strategic interest and the need to utilize financial advisory services on an expedited basis. In addition, the Board of Directors authorized senior management to have preliminary discussions with Thoma Bravo, Party A and Party B to explore each party s interest in pursuing a strategic discussion.

Following the direction of the Board of Directors, Mr. Corr contacted three potential financial advisors, as recommended by members of the Board of Directors, to present to the Transaction Committee on November 26, 2018. Similarly, Mr. Corr contacted representatives from each of Thoma Bravo and Party A to set up preliminary meetings in response to prior outreach. Mr. Corr did not schedule a meeting with Party B as he had a preexisting event scheduled with Party B in December.

On November 26, 2018, the Transaction Committee and representatives of Cooley met with representatives of three potential financial advisors, including J.P. Morgan, in order to assess their respective qualifications to assist Ellie Mae with any potential strategic alternatives. The financial advisors were invited to provide an overall market assessment, analysis of potential participants in any potential strategic process, viewpoints on the likelihood and benefits of a strategic transaction, and potential conflicts of interest related to the potential process participants. The Transaction Committee actively participated in each meeting and asked pertinent questions regarding the qualifications of each of the potential financial advisors. The Transaction Committee then separately considered the relative qualifications of the potential financial advisors with respect to each advisor s reputation in the marketplace, experience with strategic transactions involving software companies and overall familiarity with the mortgage industry. In light of these considerations and due to J.P. Morgan s familiarity with Ellie Mae s business from prior representation, its reputation in the marketplace, its experience in negotiating similar strategic transactions and its familiarity with the mortgage industry (including the importance of having an advisor understand the unique cyclical nature of the mortgage industry), the Transaction Committee recommended that J.P. Morgan serve as the exclusive financial advisor in connection with any potential strategic transaction, subject to the review of engagement letter terms and related conflicts disclosure from J.P. Morgan. In making this recommendation, the Transaction Committee was aware of Ellie Mae s existing, long-term commercial agreements, which were developed in the ordinary course with commercial terms substantially similar to those for similar customers and ongoing commercial discussions, in each case, with

affiliates of J.P. Morgan with mortgage-lending businesses but did not consider these arrangements a conflict of interest in connection with the advisory engagement as they were unrelated to, and independent of, any potential strategic transactions.

Table of Contents

On December 3, 2018, the Transaction Committee held a telephonic meeting with Ellie Mae senior management and representatives of J.P. Morgan and reviewed potential participants deemed most likely to actively participate in any strategic discussion, including financial sponsors and strategic parties. With the assistance of its advisors, including representatives of Cooley and J.P. Morgan, the Transaction Committee considered various approaches to strategic alternatives, as well as the fiduciary duties of the Board of Directors in connection with such activities. In particular, the Transaction Committee addressed the need to be proactive and in control of any potential strategic process in light of the meaningful strategic interest conveyed by the three financial sponsors to Mr. Corr. The Transaction Committee was also keenly focused on balancing market rumors or other disruptions to the business, given the Board of Directors then-current commitment to Ellie Mae s standalone long-term plan. Following discussion, the Transaction Committee concluded that it was not in the best interests of Ellie Mae for J.P. Morgan to initiate a full market canvass of potential partners in a strategic transaction process. However, the Transaction Committee did believe that it was in the best interests of stockholders for the Transaction Committee to have a more complete understanding of whether the alternative paths presented an opportunity to enhance stockholder value under existing market conditions. Accordingly, the Transaction Committee directed Mr. Corr to engage in preliminary meetings with each of Party A, Party B and Thoma Bravo to more fully gauge the strategic interest of each party.

On December 7, 2018, Ellie Mae entered into a confidentiality agreement with Thoma Bravo that contained a standstill obligation with a don t ask, don t waive (prohibiting the signatory from, publicly or privately, requesting a waiver of the standstill) provision but allowed Thoma Bravo to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

On December 12, 2018 and December 14, 2018, in response to their respective inbound inquiries, Mr. Corr met with Party A and Thoma Bravo, respectively, to provide a high level overview of Ellie Mae s business and to explore the potential for a strategic transaction. Following these discussions, Party A and Thoma Bravo verbally indicated that they would like to receive detailed due diligence and continue discussions regarding a potential acquisition of Ellie Mae, and both parties verbally indicated that they could potentially offer a substantial premium to Ellie Mae s existing trading price.

On December 17, 2018, the Transaction Committee and representatives of Cooley held a telephonic meeting to review the status of the strategic discussions, and Mr. Corr provided an overview of his discussions with Party A and Thoma Bravo to date, including the strong desire communicated by each party to continue discussions and receive detailed business and legal due diligence in order to facilitate a formal offer to acquire Ellie Mae at a substantial premium. Representatives of Cooley then advised the Transaction Committee of fiduciary obligations in the context of continuing discussions with potential parties in a strategic alternatives process. Based on these discussions and the preliminary, yet strong, interest expressed by Party A and Thoma Bravo, the Transaction Committee determined that it was in Ellie Mae s best interest to formally engage J.P. Morgan at that time. Mr. Corr summarized the engagement letter negotiations to date, and Cooley summarized the conflicts disclosure provided by J.P. Morgan. Following discussion, the Transaction Committee authorized management to continue its discussions with Party A and Thoma Bravo, and Mr. Davis agreed to convey such authorization to the other members of the Board of Directors at the next meeting of the Board of Directors to be tentatively held on December 18, 2018.

That evening at a previously scheduled social event, Mr. Corr met with a representative of Party B to discuss Party B s interest in exploring a potential strategic transaction with Ellie Mae.

On December 18, 2018, Ellie Mae entered into a confidentiality agreement with Party A that contained a standstill obligation with a don t ask, don t waive provision but allowed Party A to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

27

Table of Contents

On the same day, the Board of Directors held a telephonic meeting with members of Ellie Mae senior management and representatives of Cooley. The members of the Transaction Committee and Mr. Corr reviewed the strategic discussions with Thoma Bravo, Party A and Party B. In addition, the Board of Directors reviewed the proposed final terms of engagement with J.P Morgan (including conflicts disclosure), and consistent with its previous conditional approval, formally approved the engagement of J.P. Morgan as Ellie Mae s financial advisor.

On that same day, Mr. Corr met with a representative of Party A to discuss preliminary diligence regarding Ellie Mae s high-level financial plan.

On December 19, 2018, a representative of Party A had a meeting with Mr. Corr to preview its general interest in a potential strategic transaction, noting specifically that it believed it would be able to offer a significant premium to Ellie Mae s existing trading price and trading price prior to Ellie Mae s third quarter earnings announcement on October 25, 2018. Party A requested fulsome business and financial diligence prior to submitting a formal offer.

On that same day, representatives from Thoma Bravo had a meeting with Mr. Corr to discuss interest in pursuing a strategic transaction and noted the ability to pay a substantial premium subject to additional financial diligence.

On December 21, 2018, representatives of a fourth financial sponsor (Party C) requested a meeting with Mr. Corr. Due to the travel schedules of representatives of Party C, the parties were not able to schedule this meeting until later in January.

On December 27, 2018, the Transaction Committee held a telephonic meeting, including representatives of each of J.P. Morgan and Cooley. Mr. Corr and representatives of J.P. Morgan summarized the discussions to date with Thoma Bravo, Party A and Party B. The Transaction Committee discussed alternative methods for next steps in any potential strategic transaction process, with the goal of maximizing stockholder value. The Transaction Committee specifically reviewed the choice to limit discussions to those financial sponsors that proactively requested discussions with Ellie Mae and had engaged in preliminary due diligence as compared to a broader solicitation of interest from additional financial sponsors and strategic parties. A representative of J.P. Morgan discussed the considerations attendant to a broader or more limited outreach. Representatives of Cooley provided the Transaction Committee with an overview of general fiduciary considerations, as well as regulatory risks inherent to each potential party related to each of the alternative outreach choices, and discussed the potential for using a go-shop provision to conduct an additional market check following the announcement of any strategic transaction. In these discussions, the Transaction Committee, with the assistance of representatives of J.P. Morgan and Cooley, weighed these alternatives and discussed whether the benefits of a broader outreach (including a more fulsome market check) outweighed the benefits of a more limited strategic process (including the potential loss of leverage with financials sponsors keen to make preemptive moves (offers early in the strategic discussions with strong valuations), loss of momentum in any prolonged process and the risk of market rumors or leaks). Ultimately, the Transaction Committee determined that limiting the preliminary process to those financial sponsors that initiated inbound inquiries would both reduce the rumor and distraction risk to Ellie Mae, while also potentially providing the Transaction Committee with an assessment of the potential market value available to Ellie Mae stockholders. The Transaction Committee believed this additional activity would further inform subsequent strategic decisions. The Transaction Committee acknowledged that some form of additional market check would need to be available to maximize stockholder value in the event the Transaction Committee and Board of Directors decided to formally pursue strategic alternatives but that such an outcome could be achieved with either a broader pre-signing solicitation or a post-signing go-shop mechanic. The Transaction Committee then directed Mr. Corr to further pursue strategic transaction discussions with Thoma Bravo, Party A and Party B and to provide such parties with additional information that they had requested regarding Ellie Mae s business, results of operations, financial conditions and product strategies.

28

Table of Contents

On January 3, 2019, Mr. Corr had an additional meeting with representatives of Thoma Bravo to discuss considerations related to the sponsor s internal post-acquisition financial plan.

On January 4, 2019, Mr. Corr met with representatives of Party A, as requested, to discuss the potential strategic vision for Ellie Mae and Party A following any potential strategic transaction.

On that same day, representatives from Party B sent representatives of J.P. Morgan a list of diligence items that it required prior to the submission of a formal offer. Representatives of J.P. Morgan also coordinated a management presentation with members of senior management the following week to discuss diligence generally.

On January 10, 2019, Ellie Mae entered into a confidentiality agreement with Party B that contained a standstill obligation with a don t ask, don t waive provision, which obligation would automatically terminate upon Ellie Mae s execution of a definitive agreement to be acquired by a third party, and also allowed Party B to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

Also on January 10, 2019, Mr. Corr and representatives of J.P. Morgan held separate management presentations with Thoma Bravo and Party B. Attendees discussed Ellie Mae s business model, competitive landscape, strategy and historical financial results.

On January 11, 2019, Mr. Corr and representatives of J.P. Morgan held a similar presentation with Party A.

During the week following these management presentations, members of Ellie Mae senior management and representatives of J.P. Morgan had additional meetings with each of Party A, Party B, and Thoma Bravo to address business due diligence following management presentations. During the respective follow-up meetings, each financial sponsor confirmed its commitment to submitting more formal acquisition proposals in the near future but continued to signal a preemptive position relative to Ellie Mae s recent trading price and the trading price prior to Ellie Mae s third quarter earnings announcement.

On January 17, 2019, Ellie Mae received a non-binding proposal from Party A for an all-cash offer of $93.50 per share (the Party A January 17 Proposal). This proposal, which was subject to customary conditions, provided for an acquisition of Ellie Mae, a customary go-shop provision, Party A s commitment to deliver customary equity and debt commitments at signing to fund the acquisition, and no financing contingencies to closing. The anticipated period for Party A to complete its remaining diligence procedures was two weeks.

Later on January 17, 2019, the Transaction Committee held a telephonic meeting with representatives of Cooley and J.P. Morgan. Mr. Corr and representatives of J.P. Morgan discussed the status of the Party A January 17 Proposal and anticipated proposals from Thoma Bravo and Party B. Members of the Transaction Committee discussed their initial reactions that the Party A January 17 Proposal undervalued Ellie Mae, but the Transaction Committee elected to withhold a formal response to Party A until it could assess additional proposals anticipated on or about January 22, 2019.

On the same day, representatives of J.P. Morgan contacted representatives of Party C to coordinate an initial management presentation with Party C and stressed timing as an important factor in the event Party C wanted to engage in the strategic process.

On January 18, 2019, Party A delivered a draft of a merger agreement, which contemplated the provisions outlined in the Party A January 17 Proposal as well as the following terms: (i) a customary 30-day go-shop period for Ellie Mae

to solicit and consider superior proposals with a related 1.5% termination fee; (ii) a 3% termination fee for a superior proposal accepted after the go-shop period; (iii) a limitation on Party A s liability in connection with the proposed acquisition of Ellie Mae equal to 6% of the equity value of Ellie Mae; (iv) a

customary reasonable best efforts covenant from both parties to secure regulatory approval of the transaction without a hell or high water required divestiture provision; and (v) acceleration of all equity incentives outstanding immediately prior to the merger.

Later on January 18, 2019, Ellie Mae received non-binding proposals from Thoma Bravo and Party B. Thoma Bravo s proposal included a valuation range of $87.00-$92.00 per share, and Party B s proposal included a valuation range of $88.00-$92.00 per share.

Later on January 18, 2019, the Board of Directors held a telephonic meeting with members of Ellie Mae senior management, representatives of Cooley and J.P Morgan. Representatives of J.P. Morgan and Mr. Corr reviewed the recent proposals from, and the status of the discussions with, Party A, Party B and Thoma Bravo. Members of the Board of Directors engaged in active discussion and ultimately concluded that a strategic acquisition at these valuations would not be compelling enough to warrant further negotiation and would not be in the best interests of stockholders relative to the standalone long-term plan of Ellie Mae. After additional discussions, the Board of the Directors, in connection with a recommendation from representatives of J.P. Morgan, determined that each of Party A, Party B and Thoma Bravo should understand that the respective proposals undervalued Ellie Mae and that each sponsor was invited to reconsider a new submission at a price per share higher than previous indications of interest. The Board of Directors instructed representatives of J.P. Morgan to conduct outreach to each party accordingly. The Board of Directors also reviewed and discussed management s preliminary 2019 financial plan and related assumptions in the plan. The Board of Directors approved the 2019 financial plan and directed management and J.P. Morgan to share the plan with bidders, as appropriate, in relevant diligence discussions. The Board of Directors also instructed management to construct a five-year company financial plan for purposes of any valuation review in consultation with Ellie Mae s advisors, as well as additional diligence follow-up with engaged parties to date, if applicable.

On January 22, 2019, the Transaction Committee held a meeting with Mr. Corr and representatives of J.P. Morgan and Cooley, to preview J.P. Morgan s preliminary assessment of the proposals received to date, with a specific focus on how, if at all, specific parties could be encouraged to review and increase proposed offers. The Transaction Committee underscored the Board of Directors instruction to J.P. Morgan to solicit each party to submit a proposal higher than previous indications of interest and in the triple digits . The Transaction Committee also reviewed and discussed the preliminary preparation of management s five-year financial plan as requested by the Board of Directors. Following discussion and related questions, management agreed to continue work on the five-year financial plan and report an update to the plan at the next appropriate meeting of the Board of Directors.

Later on January 22, 2019, representatives of J.P. Morgan held discussions with representatives of Party A as instructed by the Board of Directors. Party A indicated that it would consider a $100 per share valuation, however; it would need to conduct additional diligence on Ellie Mae s long-term financial plan and product and technical diligence with members of Ellie Mae senior management.

On January 23, 2019, Party A discussed with representatives of J.P. Morgan the request to engage co-investors to serve as equity partners.

On January 24, 2019, the Transaction Committee held a telephonic meeting with Ellie Mae senior management and representatives of J.P. Morgan and Cooley to review the current status of the strategic process. Representatives of J.P. Morgan informed the Transaction Committee that Party A was highly likely to increase its offer and this offer may be as high as $100 per share, subject to review of the long-term financial plan, additional due diligence and obtaining appropriate co-investor support. At the request of the Transaction Committee, J.P. Morgan gave a preliminary overview of valuation metrics that would be useful to the committee in assessing the relative proposals to date.

Following discussion, the Transaction Committee authorized Ellie Mae senior management and J.P. Morgan to engage with potential financial sponsors that could serve as co-investors, subject to negotiation of appropriate confidentiality agreements. The Transaction Committee also

reviewed and discussed management s updated five-year plan, specifically the assumptions made in the plan and relative comparison to investor expectations and the 2019 financial plan. Following review, the Transaction Committee approved the five-year plan in the form provided and agreed to recommend it for approval and distribution to relevant strategic parties, as applicable, at the next meeting of the Board of Directors.

Later on January 24, 2019, the Board of Directors held a telephonic meeting with Ellie Mae senior management and representatives of J.P. Morgan and Cooley. Mr. Corr and Dan Madden, Ellie Mae s Chief Financial Officer, presented the five-year financial plan as approved by the Transaction Committee, including key variables that management considered in preparing the plan. Key variables included the potential for a recession, the overall performance of the mortgage industry generally, and the ability of Ellie Mae to increase its loan origination system market share, as well as a sensitivity analysis on how these various assumptions could increase or decrease Ellie Mae s financial performance. During this presentation, the Board of Directors engaged in active discussion and inquired into the impact of the various assumptions. Following this discussion, the Board of Directors determined that the projections were the most current and predictive forecasts of the future financial performance of Ellie Mae and approved the five-year financial plan (the Five-Year Projections). In connection with this approval, the Board of Directors also approved J.P. Morgan s use of the Five-Year Projections for any related financial analysis and instructed J.P. Morgan and Cooley to share a subset of the Five-Year Projections with Party A and other parties as appropriate. For more information regarding such projections, see the section titled The Merger Management Projections. Also at this meeting, at the request of the Board of Directors, J.P. Morgan provided a preliminary overview of valuation metrics that would be useful to the Board of Directors in assessing the relative proposals to date. The Board of Directors in executive session (without representatives of J.P. Morgan or Ellie Mae senior management) discussed the current acquisition proposals as compared to Ellie Mae s existing long-term strategic plan as a stand-alone company. Particular attention was focused on market and industry risks over time, including the rate at which mortgage loan volumes would grow over time and the ability of Ellie Mae to continue to grow its loan-origination system market share. During this discussion, representatives of Cooley counseled the Board of Directors regarding fiduciary duties in connection with the decision to pursue any of the strategic proposals. Following discussion, the Board of Directors affirmed the continuing strategy to press for additional value from each party engaged to date, and directed Mr. Davis to convey to J.P Morgan the instruction to solicit revised proposals from each applicable party.

Following these instructions, representatives of J.P. Morgan contacted three additional financial sponsors to potentially serve as co-investors (referred to as Party D , Party E and Party F) with Party A or potentially pursue strategic discussions on a stand-alone basis in the case of Party E and Party F.

Also on January 24, 2019, Ellie Mae entered into a confidentiality agreement with Party D that contained a standstill obligation with a don t ask, don t waive provision, which obligation would automatically terminate upon Ellie Mae s execution of a definitive agreement to be acquired by a third party, and also allowed Party D to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

On the same day, Ellie Mae also entered into a confidentiality agreement with Party E that contained a standstill obligation with a don t ask, don t waive provision but allowed Party E to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

On the same day, at the direction of the Transaction Committee, representatives of J.P. Morgan instructed each party participating prior to January 25, 2019 to submit final proposals no later than January 29, 2019.

On January 25, 2019, Ellie Mae entered into a confidentiality agreement with Party F that contained a standstill obligation with a don t ask, don t waive provision, which obligation would automatically terminate upon Ellie Mae s

execution of a definitive agreement to be acquired by a third party, and allowed Party F to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

Table of Contents

On that same day, Party B, with two co-investors, provided a revised, all-cash written proposal to acquire Ellie Mae for $91 per share by February 4, 2019, subject to customary diligence. The offer was conditioned on providing Party B with customary diligence, and the offer expired automatically should Party B not receive such diligence in accordance with its outlined plan.

Between January 25, 2019 and January 31, 2019, Ellie Mae entered into confidentiality agreements with two additional financial sponsors that could serve as co-investors (in addition to the possibility of Party E or Party F serving in such role) with Party A (such additional sponsors referred to as Party G and Party H , respectively). The confidentiality agreements with Party G and Party H contained standstill obligations with a don t ask, don t waive provision but allowed the counterparty to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals, and some of such agreements contained an automatic termination of the standstill obligations upon Ellie Mae s execution of a definitive agreement to be acquired by a third party. During this period, members of Ellie Mae senior management and representatives of J.P. Morgan held management presentations and/or shared due diligence information with each of Party A, Party B, Party C, Party D, Party E, Party F, Party G and Party H, as well as Thoma Bravo, in each case following such party s execution of the confidentiality agreements described herein.

On January 26, 2019, Ellie Mae entered into a confidentiality agreement with Party C that contained a standstill obligation with a don t ask, don t waive provision, which obligation would automatically terminate upon Ellie Mae s execution of a definitive agreement to be acquired by a third party, and also allowed Party C to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals.

On January 27, 2019, Party A sent a written proposal to acquire Ellie Mae for $100 per share (the Party A January 27 Proposal), consistent with the deal terms previously proposed in connection with the Party A January 17 Proposal, conditioned upon Ellie Mae entering into an exclusivity agreement with Party A through the projected signing date of February 11, 2019. Party A also conditioned its offer on satisfactory commitments by a selection of one or more equity partners by February 4, 2019.

On January 28, 2019, Thoma Bravo provided a revised written proposal for an all-cash offer of $94.75 per share and indicated that it would require a period of two weeks to complete diligence and consummate a strategic acquisition.

Later that day, Party D and Party F each separately provided a written proposal to participate as co-investors with Party A at the $100 per share valuation.

That afternoon, the Transaction Committee held a meeting with representatives of J.P. Morgan and Cooley to review and assess the proposals received to date. Representatives of J.P. Morgan reviewed the proposals and the strategic process to date and noted that (i) Party F was in the preliminary stages of diligence and indicated that it could serve as a co-investor for Party A to meet the accelerated timeline, but to potentially submit an independent proposal for a strategic transaction, it would require additional time; and (ii) Party E advised that it would not be able to participate as a co-investor in connection with the Party A January 27 Proposal as it would not be able to meet the proposed valuation or timing. Based on these discussions, J.P. Morgan did not anticipate any offer superior to the Party A January 27 Proposal from parties in the strategic process to date. Moreover, J.P. Morgan advised that the amount of time needed for Party F to complete due diligence and assess a potential offer could significantly undermine Ellie Mae s current leverage with Party A and its interest in submitting a preemptive offer. The Transaction Committee, which then moved to executive session, discussed the proposals in detail, as well as the input from its advisors. In particular, the Transaction Committee focused on the premium of the Party A January 27 Proposal, the relative ease with which the Company could satisfy Party A s closing conditions and the comparison of the Party A January 27

Proposal to Ellie Mae s long-term strategic plan as a stand-alone company that was previously reviewed with Ellie Mae senior management and the Board of Directors.

Accordingly, the Transaction Committee resolved to recommend to the Board of Directors that Ellie Mae enter into an exclusivity agreement with Party A.

Later that day, the Board of Directors held a telephonic meeting with Ellie Mae senior management and representatives of J.P. Morgan and Cooley. The Transaction Committee advised the Board of Directors of its prior discussion, considerations and recommendation regarding the Party A January 27 Proposal and, specifically, the proposed exclusivity arrangement. The Board of Directors discussed the rationale and recommendation of the Transaction Committee, asked J.P. Morgan its views of the competitive landscape among parties in discussions to date, and discussions ensued. The Board of Directors considered the premium provided by the Party A January 27 Proposal, the time sensitive nature of the offer, as well as the ability of the Board of Directors to perform an additional post-signing go-shop market check with other parties (subject to a customary termination fee during such period). Taking into account the risks inherent in Ellie Mae s stand-alone plan, the market and industry volatility generally, the Board of Directors independent view that other bidders would be unlikely to offer the same price as Party A, and the risk of losing the Party A January 27 Proposal without swift action, the Board of Directors ultimately agreed to enter into an exclusivity arrangement with Party A. The Board of Directors, concerned about the duration of the proposed 14-day exclusivity, conditioned approval of the exclusivity arrangement on Party A reconfirming the $100 per share offer price by February 4, 2019. Following this call and pursuant to the instruction of the Board of Directors, Ellie Mae entered into the exclusivity arrangement with Party A on January 28, 2019 for a period of seven days, subject to price confirmation on February 4, 2019 and Ellie Mae s option to terminate exclusivity absent such confirmation by 11:59 p.m. Pacific Time on February 4, 2019 or to continue exclusivity absent such termination through February 11, 2019. On January 29, 2018, Ellie Mae granted representatives of Party A access to its virtual data room.

During the period between January 29, 2019 and February 4, 2019, representatives and outside counsel for Party A (including Party D, Party G and Party H as potential co-investors) and Ellie Mae negotiated the terms of the proposed merger agreement and other transaction documents, and conducted a series of due diligence sessions.

On January 30, 2019, Party C indicated that its valuation would not exceed the low-to-mid $90s per share.

On February 1, 2019, the DealReporter published an article (without Ellie Mae s input or comment) that stated that Ellie Mae had engaged a financial advisor other than J.P. Morgan to explore a sale of Ellie Mae (referred to as the DealReporter Article).

Later that day, representatives of Party A requested an extension to affirm its offer price until February 5, 2019.

On February 4, 2019, a representative from a strategic acquiror (referred to as Party I) requested further information from representatives of J.P. Morgan as well as a call with Mr. Corr regarding the DealReporter Article.

On February 4, 2019, the Transaction Committee held a telephonic meeting with representatives of J.P. Morgan and Cooley. Representatives of J.P. Morgan reviewed the status of negotiations with Party A, including that the identity and commitments from the co-investors remained open and diligence with these parties was progressing. Representatives of J.P. Morgan also discussed the inquiry from Party I. Given the nature of the specific party, and competitively sensitive dynamics with such party, including the view, supported by outside counsel, that certain regulatory issues would make a transaction with Party I extremely challenging to consummate, management did not immediately engage with Party I subject to review of the inquiry by the Transaction Committee and the Board of Directors.

On February 5, 2019, following ongoing due diligence and negotiations, Party A called representatives of J.P. Morgan and advised that it could not confirm the $100 per share offer price and revised its proposal to $95 per share. On the

same call, Party A also indicated that Party D and Party G would serve as co-investors for this revised offer.

Table of Contents

Later that day, the Transaction Committee and the Board of Directors held telephonic meetings with representatives of J.P. Morgan and Cooley to discuss the revised proposal from Party A. During both meetings, Cooley advised the Transaction Committee and the Board of Directors, respectively, of the fiduciary duties attendant to an assessment of the revised proposal, as well as a summary of the status of negotiations with Party A on the definitive agreements. Based on prior discussions with representatives of Party B and Thoma Bravo, J.P. Morgan recommended that Ellie Mae terminate exclusivity with Party A and then engage in further discussions with each of Party A, Party B and Thoma Bravo to assess whether or not any of the parties could match the previous proposal of $100 per share or increase their prior offers. J.P. Morgan reiterated its belief that Party F might have the capacity to make a proposal similar in valuation to the Party A January 27 Proposal, but that Ellie Mae should also weigh the significant time required for Party F to accelerate its due diligence process and general assessment of the opportunity. The Board of Directors discussed overall timing of the strategic transaction process in light of Party F s diligence status but ultimately determined that the risk of carrying on the strategic process past Ellie Mae s upcoming scheduled earnings announcement (previously scheduled on February 14, 2019) could have adverse consequences on Ellie Mae due to (i) the DealReporter Article and related impact of market rumors and destabilization of the trading price of Ellie Mae s common stock, (ii) the chilling effect that any delay could cause on the willingness of Party A, Party B or Thoma Bravo to consummate a transaction, (iii) the uncertainty that Party F or another potential participant in the strategic transaction process would submit a superior proposal, and (iv) the potential opportunity for Ellie Mae to continue soliciting a superior proposal for a period of time after signing a definitive merger agreement pursuant to a go-shop provision, as was included in Party A s proposal and that, based on prior discussions of the Board of Directors, Thoma Bravo and Party B would be likely to provide. The Board of Directors also discussed the inquiry from Party I and determined not to pursue discussions with Party I due to regulatory and confidentiality concerns and the view, supported by outside counsel, that regulatory issues would subject any transaction with Party I to extreme regulatory closing risk. The Transaction Committee then recommended, and the Board of Directors approved, terminating exclusivity with Party A and for J.P. Morgan and Ellie Mae senior management to continue discussions with each of Party A (including potential co-investors of Party A), Party B, Party F and Thoma Bravo.

Later that day, the exclusivity arrangement with Party A was terminated.

Also that day, representatives of J.P. Morgan informed Thoma Bravo, Party A (including certain of the potential co-investors of Party A) and Party B that the existing proposals represented insufficient value for Ellie Mae s stockholders and that revisions to previous proposals would be required in order to keep the Board of Directors interested in any strategic process. Representatives of each of Thoma Bravo and Party B confirmed an interest in re-assessing their previous respective proposals. Following such discussion, Ellie Mae granted representatives of each of Thoma Bravo and Party B access to its virtual data room.

On February 6, 2019, representatives of J.P. Morgan received an unsolicited inbound inquiry from a financial sponsor (referred to as Party J), and on February 7, 2019, Ellie Mae entered into a confidentiality agreement with such party that contained a standstill obligation with a don t ask, don t waive provision, which obligation would automatically terminate upon Ellie Mae s execution of a definitive agreement to be acquired by a third party, and also allowed Party J to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals. Following this, Party J indicated that it would need a number of weeks to complete diligence and did not request additional information or discussions with Ellie Mae prior to the signing of the Merger Agreement.

From February 6 through February 11, 2019, representatives of Ellie Mae senior management conducted due diligence sessions and related follow-up with representatives of each of Thoma Bravo, Party A (including Party D and other potential co-investors of Party A) and Party B.

On February 7, 2019, the Transaction Committee held a telephonic meeting with Ellie Mae senior management and representatives of J.P. Morgan and Cooley, and discussed the status of discussions with, and progress of due

Table of Contents

diligence by, each of Thoma Bravo, Party A, Party B and Party D (as the lead co-investor for Party A). Members of the Transaction Committee considered the potential benefit of allowing additional time for Party F or Party J to conduct further due diligence as compared to the potential market risk and business disruptions attendant to a protracted strategic process. After discussion, the Transaction Committee instructed representatives of J.P. Morgan to clearly articulate the expectation that the interested parties would expeditiously complete their remaining diligence and submit revised indications of interest no later than February 11, 2019. The Transaction Committee also instructed representatives of Cooley to prepare a proposed form acquisition agreement to be used for immediate negotiation in the event any party submitted a compelling final proposal. The Transaction Committee, with guidance from representatives of Cooley, also discussed the regulatory considerations attendant to any potential bid by each of Thoma Bravo, Party A, Party B and Party D (as lead co-investor for Party A), and requested that the form acquisition agreement include a hell or high water provision to mitigate any perceived regulatory risks associated with potential bidders.

On that same day, a representative from Party I had a call with Mr. Corr regarding a commercial arrangement between Ellie Mae and Party I unrelated to the strategic transaction process. During this conversation, the representative from Party I inquired about the DealReporter Article and the potential for Party I to explore a strategic transaction with Ellie Mae. Mr. Corr declined to comment on the strategic transaction process.

On February 8, 2019, at the direction of the Transaction Committee, representatives of J.P. Morgan provided a draft acquisition agreement to representatives of each of Thoma Bravo and Party B. The draft acquisition agreement contemplated (i) a customary 40-day go-shop period for Ellie Mae to solicit and consider superior proposals with a related 1.5% termination fee; (ii) a 3% termination fee for a superior proposal accepted after the go-shop period; (iii) a 7% termination fee payable by the acquiror if it fails to consummate the transaction under certain circumstances; (iv) a customary reasonable best efforts covenant from both parties to secure regulatory approval of the transaction with a hell or high water required divestiture provision; (v) payment of unvested equity incentives over the course of the existing vesting schedule as opposed to the acceleration contemplated by the Party A January 27 Proposal; and (vi) other customary terms for a strategic transaction of this nature.

Later on February 8, 2019, a representative of J.P. Morgan received an unsolicited inbound inquiry from a new financial sponsor (referred to as Party K). J.P. Morgan indicated that it would discuss the inquiry with Ellie Mae. Representatives of J.P. Morgan then discussed with members of the Board of Directors such inbound inquiry, but contact with Party K was not initiated until after the announcement of the Merger Agreement due to the timing of this initial inquiry.

Throughout the day on February 8, 2019, representatives of each of Cooley and Kirkland & Ellis LLP (Kirkland & Ellis), outside counsel to Thoma Bravo, engaged in preliminary negotiations on the Ellie Mae draft acquisition agreement.

Throughout February 8 and 9, 2019, representatives of Party B had discussions with representatives of J.P. Morgan regarding key aspects of the Ellie Mae draft acquisition agreement, including the go-shop terms, termination fees and hell or high water required divestiture provision.

Throughout February 8 and 9, 2019, representatives of Thoma Bravo had discussions with representatives of J.P. Morgan regarding the go-shop terms, and Thoma Bravo indicated a strong preference for no go-shop given the prior DealReporter speculation.

Also on February 8, 2019, representatives of Cooley sent representatives of outside counsel to Party A revised drafts of the Party A form of merger agreement and other transaction documents, which conformed significant deal points

with those of the Ellie Mae draft acquisition agreement being used with Thoma Bravo and Party B.

Table of Contents

On February 9, 2019, representatives of outside counsel to Party A sent representatives of Cooley revised drafts of the Party A form of merger agreement and other transaction documents, which did not include a debt commitment letter. Representatives of Cooley requested that Party A promptly submit missing material.

Later that day, representatives of Kirkland & Ellis sent representatives of Cooley revised drafts of the Ellie Mae draft acquisition agreement and other transaction documents, including a debt commitment letter. The revised acquisition agreement had a few key differences from the Ellie Mae form draft acquisition agreement, including (i) a requirement that directors and officers of Ellie Mae sign a customary voting agreement to vote such individual s shares of Company Common Stock in favor of the merger concurrently with the execution of the acquisition agreement; and (ii) a shorter 30-day go-shop period.

On February 10, 2019, representatives of Cooley discussed and negotiated drafts of the Ellie Mae draft acquisition agreement, the Party A form of merger agreement, and other transaction documents with representatives of each of Kirkland & Ellis and outside counsel to Party A, respectively, including restrictions on the interim operations of Ellie Mae, the duration of the go-shop period, whether directors and officers would need to sign a voting agreement, and certain aspects of the scope of the go-shop and no shop terms, including whether existing bidders would be subject to those restrictions.

Later that day, representatives of Cooley sent revised drafts of the Party A form of merger agreement and other transaction documents to representatives of outside counsel to Party A, and also revised drafts of the Ellie Mae draft acquisition agreement and other transaction documents to representatives of Kirkland & Ellis. Representatives of Cooley requested again that Party A submit missing material.

On February 10, 2019, at the direction of the Transaction Committee, representatives of J.P. Morgan reminded representatives of each of Thoma Bravo, Party B and Party A of the Board of Directors request that it receive, no later than 5:00 p.m. Pacific Time on February 11, 2019, any final proposal accompanied by final drafts of the applicable transaction documents.

On February 11, 2019, a representative of Party I left a voicemail for Mr. Corr requesting further discussions regarding the strategic transaction process, which inquiry was briefly discussed at the meeting of the Board of Directors later that day. Due to the direction from the Board of Directors, a substantive response to this inquiry was not commenced until following the announcement of the Merger.

Over the course of that same day, Ellie Mae received three non-binding proposals from each of Thoma Bravo, Party B and Party A (with Party D serving as co-investor). Representatives of Thoma Bravo submitted a non-binding written proposal for an all-cash offer of $99.00 per share, which proposal confirmed completion of due diligence and approval by its investment committee (the Thoma Bravo $99 Proposal) and committed to prompt finalization and execution of a definitive acquisition agreement, subject to exclusivity through the proposed announcement of the transaction on February 12, 2019. The Thoma Bravo $99 Proposal was accompanied by a revised merger agreement and other transaction documents, including an equity commitment letter and limited guarantee, each in substantially final form. Thoma Bravo also confirmed that the full purchase price would be backstopped by an equity commitment by the Thoma Bravo Fund. The revised merger agreement submitted by Thoma Bravo was on terms substantially similar to the prior Ellie Mae form of draft acquisition agreement, including (i) a customary 35-day go-shop period for Ellie Mae to solicit and consider superior proposals with a related 1.5% termination fee; (ii) a 3% termination fee for a superior proposal accepted after the go-shop period; (iii) a 7% termination fee payable by the acquiror if it fails to consummate the transaction under certain circumstances; and (iv) a customary reasonable best efforts covenant from both parties to secure regulatory approval of the transaction with a hell or high water divestiture provision. The revised merger agreement submitted by Thoma Bravo did not include a requirement that Ellie Mae s officers and directors deliver

voting agreements in support of the Merger. Representatives of Party B submitted a non-binding written proposal for an all-cash offer of $93.00 per share (the Party B $93 Proposal) and verbally indicated that the full purchase price would be backstopped by an equity commitment by Party B and its co-investors. Party B also

indicated, based on discussions with representatives of J.P. Morgan on the key terms of the transaction documents and drafts discussed to date, that Party B could finalize the necessary documentation by February 14. Representatives of Party A (including Party D as co-investor) orally confirmed its non-binding proposal for an all-cash offer of $95.00 per share (the Party A $95 Proposal) and indicated that the transaction documents previously submitted were in substantially final form.

Throughout the day on February 11, 2019, representatives of each of Cooley and Kirkland & Ellis continued to exchange drafts of Ellie Mae s draft acquisition agreement and other transaction documents.

Later on the same day, after market close, the Board of Directors held a meeting with representatives of Ellie Mae senior management, Cooley and J.P. Morgan. Representatives of J.P. Morgan reviewed for the Board of Directors the current status of discussions with applicable parties, including Thoma Bravo, Party A (with Party D serving as a co-investor), and Party B. Representatives of J.P. Morgan and Cooley reviewed with the Board of Directors the key legal and financial terms of each of the Thoma Bravo $99 Proposal, the Party A $95 Proposal and the Party B $93 Proposal, and representatives of J.P. Morgan then provided J.P. Morgan s financial analyses of the Thoma Bravo $99 Proposal, Party A $95 Proposal and Party B $93 Proposal, including that all agreements now included a hell or high water divestiture provision. J.P. Morgan then rendered its oral opinion (subsequently confirmed in a written opinion, dated as of February 11, 2019) to the Board of Directors to the effect that, as of February 11, 2019 and based upon and subject to the factors and assumptions set forth in such opinion, the Per Share Merger Consideration (as proposed in the Thoma Bravo $99 Proposal) to be paid to the holders of Ellie Mae Common Stock in the proposed Merger was fair, from a financial point of view, to such holders. For more information about J.P. Morgan s opinion, see below under the caption The Merger Opinion of J.P. Morgan Securities LLC. Representatives of Cooley then provided a review for the Board of Directors of its fiduciary duties, and reviewed certain material terms of the proposed final Merger Agreement with Thoma Bravo, including (i) the 35-day go-shop provision that would allow Ellie Mae to, and following such go-shop period, the fiduciary duty exceptions that would permit Ellie Mae, in certain limited circumstances, to, negotiate and accept a Superior Proposal, (ii) the 1.5% termination fee to be paid by Ellie Mae in the event Ellie Mae were to terminate the Thoma Bravo transaction in order to accept a Superior Proposal with another party (who is not a Restricted Party) during the go-shop period, (iii) the 3.0% termination fee to be paid by Ellie Mae in the event Ellie Mae were to terminate the Thoma Bravo transaction in order to accept a Superior Proposal with another party after the go-shop period ended, or with respect to a Restricted Party, before or after the go-shop period ended, (iv) the 7.0% termination fee to be paid by Thoma Bravo in certain circumstances where Thoma Bravo fails to consummate the Merger and (v) the conditions to consummation of the Merger, including the absence of a Company Material Adverse Effect that is continuing. Representatives of Cooley answered questions from members of the Board of Directors regarding the terms of the proposed Merger Agreement and Ellie Mae s ability to conduct its business during the pendency of the Merger. After discussions, the Board of Directors noted that the Party B $93 Proposal was not accompanied by proposed definitive transaction documents that it was prepared to execute and that the legal terms proposed by Thoma Bravo were, in the aggregate, substantially similar to, or more favorable than, those proposed by the latest drafts of the merger agreement and other transaction documents proposed by Party A. Moreover, the Thoma Bravo $99 Proposal was financially superior to the proposals from each of Party B and Party A, and Thoma Bravo had indicated that the Thoma Bravo $99 Proposal was its best and final offer. The Board of Directors also considered the potential risk of losing the favorable opportunity with Thoma Bravo in the event that Ellie Mae continued trying to obtain any additional offers at higher prices, especially in light of the go-shop provision that Thoma Bravo was willing to provide in the Merger Agreement. The Board of Directors continued to discuss the potential transaction with Thoma Bravo and the reasons that the Board of Directors believed that it was in the best interests of Ellie Mae and its stockholders to enter into the Merger Agreement with Thoma Bravo and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement (for more information concerning the recommendation of the Board of Directors, see the section titled The Merger Agreement Reasons for the Merger). Following such discussion, the Board of Directors unanimously (i) determined that it was in the best

interests of Ellie Mae and its stockholders, and declared it advisable, to enter into the Merger Agreement and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement;

Table of Contents

(ii) approved the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (iii) resolved to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL.

Later that evening, Ellie Mae and Thoma Bravo executed the Merger Agreement and related agreements in connection with the transactions contemplated by the Merger Agreement. At the time of the execution of the Merger Agreement, Thoma Bravo and Ellie Mae had not discussed the terms of any post-closing employment or equity participation for Ellie Mae management. Prior to (but after the execution of the Merger Agreement) and following the closing of the Merger, however, certain of our executive officers may have discussions, and following the closing of the Merger, may enter into agreements with, Parent or Merger Sub, their subsidiaries or their respective affiliates regarding employment with, or the right to purchase or participate in the equity of, the Surviving Corporation or one or more of its affiliates.

The following morning on February 12, 2019 before market open, the parties issued a joint press release announcing the execution of the Merger Agreement.

Since the execution of the Merger Agreement, in connection with the go-shop period provided for in the Merger Agreement, which expires at 12:00 p.m. Pacific Time on March 18, 2019, at the direction of the Board of Directors, representatives of J.P. Morgan re-engaged in discussions with all of the parties with whom Ellie Mae discussed a potential strategic transaction prior to the execution of the Merger Agreement, including Party I, Party J and Party K, other than Thoma Bravo. Party A, Party B, Party C, Party E, Party F and Party J declined to continue discussions with Ellie Mae during the go-shop period. In addition, at the direction of the Board of Directors, representatives of J.P. Morgan contacted 24 additional parties, comprised of 18 strategic parties (including Party I) and six (including Party K) financial sponsors to gauge such parties interest in providing an alternative Acquisition Proposal. Of those 24 parties, Ellie Mae executed a confidentiality agreement with Party K, which confidentiality agreement was in customary form for a strategic transaction process and included a standstill obligation with a don t ask, don t waive provision but allowed the counterparty to privately and confidentially approach Ellie Mae senior management, the Board of Directors or J.P. Morgan at any time to make acquisition proposals. On February 16, 2019, Ellie Mae granted representatives of Party K access to a subset of the Five-Year Projections as well as to management presentations. To date, Ellie Mae has not received any alternative Acquisition Proposal.

Recommendation of the Board of Directors and Reasons for the Merger

Recommendation of the Board of Directors

The Board of Directors has unanimously: (i) determined that it is in the best interests of Ellie Mae and its stockholders, and declared it advisable, to enter into the Merger Agreement and consummate the Merger upon the terms and subject to the conditions set forth in the Merger Agreement; (ii) approved the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (iii) resolved to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL.

The Board of Directors unanimously recommends that you vote: (1) FOR the adoption of the Merger Agreement; (2) FOR , on an advisory (non-binding) basis, the Compensation Proposal; and (3) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

Reasons for the Merger

In the course of reaching its determination and recommendation, the Board of Directors consulted with Ellie Mae management, Cooley LLP, its outside legal advisor, and J.P. Morgan, its financial advisor. The Board of

Table of Contents

Directors considered a number of factors, including those below (which are not listed in any relative order of importance), all of which it viewed as generally supporting its (i) approval of the execution and delivery of the Merger Agreement by Ellie Mae, the performance by Ellie Mae of its covenants and other obligations under the Merger Agreement, and the consummation of the Merger upon the terms and conditions set forth in the Merger Agreement; and (ii) resolution to recommend that Ellie Mae stockholders adopt the Merger Agreement and approve the Merger in accordance with the DGCL:

the current and historical trading price of Ellie Mae common stock, including that the Per Share Merger Consideration constituted a premium of:

approximately 21% to $81.92, the closing price of Ellie Mae common stock on February 11, 2019, the last full trading day prior to public announcement of Ellie Mae s entry into the Merger Agreement;

approximately 30% to $76.43, the unaffected closing price of Ellie Mae common stock on February 1, 2019, the last full trading day prior to market speculation about a potential transaction involving Ellie Mae; and

approximately 42% to the one-month average closing price of $69.64, and approximately 49% to the three-month average closing price of $66.62, in each case, ending on February 1, 2019;

the fact that, during the course of negotiations with Thoma Bravo (as described under the section titled The Merger Background of the Merger), Thoma Bravo increased its initial offer on January 18, 2019 presented in the range of $87.00 to $92.00 per share, to $94.75 per share on January 28, 2019 and then to $99.00 per share on February 11, 2019;

the belief that the Per Share Merger Consideration represented the highest price that Thoma Bravo was willing to pay and the highest price per share value reasonably obtainable as of the date of the Merger Agreement;

the robustness of the strategic transaction process conducted to date, including the fact that Thoma Bravo and six other parties (exclusive of co-investor parties) were contacted or solicited during the process in an effort to obtain the best value reasonably available to stockholders and the additional 35-day go-shop period under the Merger Agreement;

the potential risk of losing the favorable opportunity with Thoma Bravo in the event Ellie Mae continued trying to obtain any additional offers at higher prices and the potential negative effect that a protracted sale process might have on Ellie Mae s business, especially in light of the go-shop provision Thoma Bravo was willing to provide that would allow for Ellie Mae to solicit Acquisition Proposals;

the belief that the all-cash Per Share Merger Consideration provides certainty of value and liquidity to stockholders, while eliminating the effect on stockholders of long-term business and execution risk, as well as risks related to the financial markets generally;

the belief that the Per Share Merger Consideration is more favorable to Ellie Mae stockholders than the potential value that would reasonably be expected to result from other strategic and financial alternatives reasonably available, which could include: (i) the continuation of Ellie Mae s business plan as an independent public company, based on its historical results of operations, financial prospects and condition; (ii) modifications to Ellie Mae s business and operations strategy; or (iii) potential expansion opportunities through acquisitions and combinations of Ellie Mae with other businesses;

the belief that the aforementioned other alternatives were not reasonably likely to create greater value for Ellie Mae s stockholders than the Merger, taking into account, among other variables, execution risks as well as business, competitive, industry and market risks, particularly those in the software and mortgage lending industries more generally, including (i) the risk that mortgage lending volumes may continue to decline more than expected as well as the risk that the long term growth in mortgage lending volumes may not grow at the same rate as reflected in Ellie Mae s operating plan, (ii) the risk

Table of Contents

that Ellie Mae may not be able to grow its loan origination system market share at the rates reflected in Ellie Mae s business plan, (iii) high attribution rate of current customers, (iv) risk that Ellie Mae may not be able to increase revenues for its core products as much as projected and (v) the risk that Ellie Mae may not be able to sell additional products and services as much as projected;

the oral opinion of J.P. Morgan, subsequently confirmed in writing, to the effect that, as of February 11, 2019 and based upon and subject to the various factors, qualifications, limitations and assumptions set forth therein, the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the Merger is fair, from a financial point of view, to such holders, as more fully described below under the section of this proxy statement captioned The Merger Opinion of J.P. Morgan Securities LLC, which full text of the written opinion is attached as Annex B to this proxy statement and is incorporated by reference in this proxy statement in its entirety;

the terms of the Merger Agreement and the related agreements, including:

the right, pursuant to a customary 35-day go-shop period beginning on February 11, 2019 and continuing until 12:00 p.m., Pacific time on March 18, 2019, to solicit alternative Acquisition Proposals from, and participate in discussions and negotiations with, third parties regarding any alternative Acquisition Proposals;

the ability, under certain circumstances after the No Shop Period Start Date, to furnish information to, and conduct negotiations with, third parties regarding Acquisition Proposals;

equity financing, as contemplated by the Equity Commitment Letter, sufficient to fund the aggregate purchase price required to be paid at the Closing of the Merger and to also fund, together with cash on hand at Ellie Mae, certain fees and expenses and the fact that Ellie Mae is a named third party beneficiary of the Equity Commitment Letter;

the ability of the parties to consummate the Merger, including the fact that Parent s obligation to complete the Merger is not conditioned upon, nor limited by, the receipt of third-party debt financing or the completion of any marketing period;

Ellie Mae s entitlement to specific performance to cause the equity financing contemplated by the Equity Commitment Letter to be funded, whether or not Thoma Bravo is able to procure any debt to finance the transaction;

Parent s obligation to pay Ellie Mae a termination fee of $256 million, if the Merger Agreement is terminated by Ellie Mae due to any breach of representations or covenants made by Parent or Merger Sub that causes a closing condition not to be met (following notice and an opportunity to cure) or in certain circumstances in which all other closing conditions have been met, but Parent or Merger Sub

fails to close when required to do so under the Merger Agreement;

Ellie Mae s ability to terminate the Merger Agreement in order to accept a Superior Proposal, subject to certain conditions of the Merger Agreement and paying Parent a termination fee of either (i) $55 million if the Merger Agreement had been terminated prior to the No Shop Period Start Date (other than with respect to a Restricted Party) or (ii) $110 million if the Merger Agreement is terminated after the No Shop Period Start Date or, with respect to a Restricted Party, before or after the No Shop Period Start Date;

the fact that the Board of Directors believed that the termination fee of either $55 million or $110 million payable by Ellie Mae in the circumstances described above, which represents approximately 1.5% and 3%, respectively, of Ellie Mae s implied equity value in the Merger, is reasonable, is within the market averages for such fees, and is not preclusive of, or a substantial impediment to, other offers;

Ellie Mae s entitlement to specific performance to prevent breaches of the Merger Agreement; and

Table of Contents

the fact that Thoma Bravo Fund provided a limited guaranty in favor of Ellie Mae, which guarantees the obligation to pay any termination fee, reimburse and indemnify Ellie Mae with respect to certain expenses in connection with Parent s debt financing and pay certain other amounts required under the Merger Agreement (as described in the below section captioned Financing of the Merger); and

the likelihood of satisfying the conditions to complete the Merger and the likelihood that the Merger will be completed.

The Board of Directors also considered a number of uncertainties and risks concerning the Merger, including the following (which factors are not necessarily presented in order of relative importance):

the fact that Ellie Mae would no longer exist as an independent, publicly traded company, and stockholders would no longer participate in any future earnings or growth and would not benefit from any potential future appreciation in value of Ellie Mae;

the risks and costs to Ellie Mae if the Merger does not close, including the diversion of management and employee attention, and the potential effect on its business and relationships with customers, partners and employees;

the requirement that Ellie Mae pay Parent a termination fee, under certain circumstances following termination of the Merger Agreement, including if the Board of Directors terminates the Merger Agreement to accept a Superior Proposal, of either (i) $55 million if the Merger Agreement is terminated prior to the No Shop Period Start Date (other than with respect to a Restricted Party) or (ii) $110 million if the Merger Agreement is terminated after the No Shop Period Start Date or, with respect to a Restricted Party, before or after the No Shop Period Start Date;

if Parent fails to complete the Merger as a result of a breach of the Merger Agreement, depending upon the reason for not closing, remedies may be limited to the termination fee payable by Parent described above, which may be inadequate to compensate Ellie Mae for the damage caused (and such termination fee is itself limited in certain situations), and if available, other rights and remedies may be expensive and difficult to enforce, and the success of any such action may be uncertain;

the restrictions on the conduct of Ellie Mae s business prior to the consummation of the Merger, including the requirement that Ellie Mae use commercially reasonable efforts to conduct its business in the ordinary course, subject to specific limitations, which may delay or prevent Ellie Mae from undertaking business opportunities that may arise before the completion of the Merger and that, absent the Merger Agreement, Ellie Mae might have pursued;

the fact that an all cash transaction would be taxable to Ellie Mae s stockholders that are U.S. persons for U.S. federal income tax purposes;

the fact that under the terms of the Merger Agreement, Ellie Mae is unable to solicit other Acquisition Proposals after the No Shop Period Start Date;

the significant costs involved in connection with entering into the Merger Agreement and completing the Merger (many of which are payable whether or not the Merger is consummated) and the substantial time and effort of Ellie Mae management required to complete the Merger, which may disrupt its business operations and have a negative effect on its financial results;

the risk that the Merger might not be completed and the effect of the resulting public announcement of termination of the Merger Agreement on the trading price of Ellie Mae common stock;

the fact that the completion of the Merger will require antitrust clearance in the United States;

the fact that Ellie Mae s directors and officers may have interests in the Merger that may be different from, or in addition to, those of Ellie Mae s stockholders (see below under the caption Interests of Ellie Mae s Directors and Executive Officers in the Merger); and

Table of Contents

the possible loss of key management or other personnel of Ellie Mae during the pendency of the Merger.

The foregoing discussion of reasons for the recommendation to adopt the Merger Agreement and approve the Merger and the transactions contemplated thereby is not meant to be exhaustive but addresses the material information and factors considered by the Board of Directors in consideration of its recommendation. In view of the wide variety of factors considered by the Board of Directors in connection with its evaluation of the Merger and the complexity of these matters, the Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. Rather, in considering the information and factors described above, individual members of the Board of Directors each applied his or her own personal business judgment to the process and may have given differing weights to differing factors. The Board of Directors based its unanimous recommendation on the totality of the information presented. The explanation of the factors and reasoning set forth above contain forward-looking statements that should be read in conjunction with the section of this proxy statement entitled Forward-Looking Statements.

Opinion of J.P. Morgan Securities LLC

Pursuant to an engagement letter dated December 28, 2018, Ellie Mae retained J.P. Morgan as its financial advisor in connection with a possible acquisition of Ellie Mae and to deliver a fairness opinion in connection with the proposed Merger.

At the meeting of the Board of Directors on February 11, 2019, J.P. Morgan rendered its oral opinion to the Board of Directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger was fair, from a financial point of view, to such holders. J.P. Morgan confirmed its February 11, 2019 oral opinion by delivering the Opinion, that, as of the date of the Opinion, the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger was fair, from a financial point of view, to such holders.

The full text of the Opinion, dated February 11, 2019, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex B to this proxy statement and is incorporated herein by reference. The summary of the Opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the Opinion. Ellie Mae stockholders are urged to read the Opinion in its entirety.

The Opinion was addressed to the Board of Directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Merger, was directed only to the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger and did not address any other aspect of the Merger. J.P. Morgan expressed no opinion as to the fairness of the Per Share Merger Consideration to the holders of any other class of securities, creditors or other constituencies of Ellie Mae or as to the underlying decision by Ellie Mae to engage in the proposed Merger. The issuance of the Opinion was approved by a fairness committee of J.P. Morgan. The summary of the Opinion of J.P. Morgan set forth in this proxy statement is qualified in its entirety by reference to the full text of the Opinion. The Opinion does not constitute a recommendation to any Ellie Mae stockholder as to how such stockholder should vote with respect to the proposed Merger or any other matter.

In arriving at the Opinion, J.P. Morgan, among other things:

reviewed the Merger Agreement, the Equity Commitment Letter and the Guarantee;

reviewed certain publicly available business and financial information concerning Ellie Mae and the industries in which it operates;

Table of Contents

compared the proposed financial terms of the Merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration paid for such companies;

compared the financial and operating performance of Ellie Mae with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of Ellie Mae common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of Ellie Mae relating to its business; and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of the Opinion.

In addition, J.P. Morgan held discussions with certain members of the management of Ellie Mae with respect to certain aspects of the Merger, the past and current business operations of Ellie Mae, the financial condition and future prospects and operations of Ellie Mae, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving the Opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Ellie Mae or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not independently verify any such information or its accuracy or completeness and, pursuant to J.P. Morgan s engagement letter with Ellie Mae, J.P. Morgan did not assume any obligation to undertake any such independent verification. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Ellie Mae, Parent, Merger Sub or the Thoma Bravo Fund under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Ellie Mae to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan also assumed that the Merger and the other transactions contemplated by the Merger Agreement will be consummated as described in the Merger Agreement. J.P. Morgan also assumed that the representations and warranties made by Ellie Mae and Parent in the Merger Agreement, the Equity Commitment Letter, the Guarantee and the related agreements were and will be true and correct in all respects material to its analyses. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Ellie Mae with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Merger will be obtained without any adverse effect on Ellie Mae or on the contemplated benefits of the Merger.

The Opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan, as of the date of the Opinion. The Opinion noted that subsequent developments may affect the Opinion and that J.P. Morgan does not have any obligation to update, revise or reaffirm the Opinion. The Opinion is limited to the fairness, from a financial point of view, of the Per Share Merger Consideration to be paid to the holders of Ellie Mae common stock in the proposed Merger, and J.P. Morgan has expressed no opinion as to the fairness of any consideration paid in connection with the Merger to the holders of any other class of securities, creditors or other constituencies of Ellie Mae or as to the underlying decision by Ellie Mae to engage in the Merger.

Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of any party to the Merger, or any class of such persons relative to the consideration to be paid to the holders of Ellie Mae common stock in the Merger with respect to the fairness of any such compensation.

Table of Contents

The terms of the Merger Agreement were determined through arm s length negotiations between Ellie Mae and Parent, and the decision to enter into the Merger Agreement was solely that of the Board of Directors. The Opinion and financial analyses were only one of the many factors considered by the Board of Directors in its evaluation of the proposed Merger and should not be viewed as determinative of the views of the Board of Directors or Ellie Mae management with respect to the proposed Merger or the Per Share Merger Consideration.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodology in rendering the Opinion to the Board of Directors on February 11, 2019 and contained in the presentation delivered to the Board of Directors on such date in connection with the rendering of the Opinion and does not purport to be a complete description of the analyses or data presented by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan s analyses.

The projections furnished to J.P. Morgan for Ellie Mae were prepared by Ellie Mae s management. For more information regarding these projections, see below under Management Projections.

Public Trading Multiples Analysis. Using publicly available information, J.P. Morgan compared selected financial data of Ellie Mae with similar data for the following selected publicly traded companies engaged in businesses which J.P. Morgan judged to be sufficiently analogous to Ellie Mae:

Black Knight, Inc.

RealPage, Inc.

CoreLogic, Inc.

VMware, Inc.

ANSYS, Inc.

SolarWinds Corporation

Cornerstone OnDemand, Inc.

Table of Contents

These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan s analysis, may be considered similar to those of Ellie Mae based on business sector participation, operational characteristics and financial metrics. However, none of the selected companies reviewed is identical to Ellie Mae and certain of these companies may have financial and operating characteristics that are materially different from those of Ellie Mae. Using publicly available information, J.P. Morgan calculated, for each selected company, the multiple of firm value as of February 11, 2019 to published equity research consensus estimates that J.P. Morgan obtained from FactSet Research Systems for revenue for the calendar year 2019 (CY 2019E FV/Revenue) and for EBITDA (calculated as earnings before interest, tax, depreciation and amortization, and adjusted to exclude stock-based compensation and other non-recurring items) for the calendar year 2019 (CY 2019E FV/EBITDA). This analysis indicated the following CY 2019E FV/Revenue and CY 2019E FV/EBITDA multiples:

Selected Company	CY 2019E FV/Revenue	CY 2019E FV/EBITDA
Ellie Mae*	4.8x	17.2x
Black Knight, Inc.	7.6x	15.3x
RealPage, Inc.	5.9x	21.1x
CoreLogic, Inc.	2.8x	9.9x
VMware, Inc.	7.1x	18.7x
ANSYS, Inc.	10.3x	22.6x
SolarWinds Corporation	7.9x	16.2x
Cornerstone OnDemand, Inc.	6.8x	31.7x

* Based on the closing price of Ellie Mae common stock as of February 1, 2019 (the last trading day prior to third party media reports speculating about a possible transaction involving Ellie Mae)

Based on the results of this analysis and other factors that J.P. Morgan considered appropriate, J.P. Morgan selected multiple reference ranges for CY 2019E FV/Revenue of 4.5x-6.5x and CY 2019E FV/EBITDA of 14.0x-20.0x. These multiple ranges were then applied to Ellie Mae s estimated revenue and Adjusted EBITDA for calendar year 2019 as provided in the Management Projections, which indicated implied equity value per share ranges for Ellie Mae common stock, rounded to the nearest $1.00, of $75.00 to $103.00 and $68.00 to $93.00, respectively:

Discounted Cash Flow Analysis. J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity value per share for Ellie Mae common stock.

A discounted cash flow analysis is a method of evaluating an asset by estimating the future unlevered cash flows generated by an asset and taking into consideration the time value of money with respect to those future cash flows by calculating their present value . The unlevered free cash flows refers to a calculation of the future cash flows generated by an asset without including in such calculation any debt servicing costs. Present value refers to the current value of the cash flows generated by the asset and is obtained by discounting those cash flows back to the present using a discount rate that takes into account macro-economic assumptions, estimates of risk, the opportunity cost of capital and other appropriate factors. Terminal value refers to the present value of all future cash flows generated by the asset for periods beyond the projections period.

J.P. Morgan calculated the unlevered free cash flows that Ellie Mae is expected to generate during fiscal year 2019 through fiscal year 2028 based upon the Management Projections. J.P. Morgan treated stock-based compensation as a

cash expense in the unlevered free cash flow calculation for purposes of its discounted cash flow analysis, as stock-based compensation is viewed as a true economic expense of the business. Based on Ellie Mae management s estimates of a 3.0% terminal value growth rate in the industry in which Ellie Mae operates, J.P. Morgan also calculated a range of terminal values for Ellie Mae at the end of fiscal year 2028 by applying terminal growth rates ranging from 2.5% to 3.5% to the unlevered free cash flows of Ellie Mae. The unlevered

Table of Contents

free cash flows and the range of terminal values were then discounted to present values using a range of discount rates from 9.0% to 10.0%, which was chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of Ellie Mae. The present value of the unlevered free cash flows and the range of terminal values were then adjusted by adding Ellie Mae s net cash balance of $365 million as of December 31, 2018 (as per Ellie Mae s management) and divided by fully diluted shares outstanding (calculated using treasury stock method). The discounted cash flow analysis indicated an implied equity value per share range for Ellie Mae common stock, rounded to the nearest $1.00, of $78.00 to $100.00.

Transaction Multiples Analysis. Using publicly available information, J.P. Morgan examined selected transactions involving software companies engaged in businesses which J.P. Morgan judged to be sufficiently analogous to the business of Ellie Mae or aspects thereof. For each of the selected transactions, J.P. Morgan calculated the firm value to be paid for the target company in such transaction as a multiple of published equity research estimates for revenue for the 12-month period following the announcement of the applicable transaction (FV/NTM Revenue). The transactions considered are as follows:

Month/Year Announced	Acquiror	Target	FV/NTM Revenue
January 2018	SAP SE	Callidus Software, Inc.	7.8x
December 2017	Oracle Corporation	Aconex Limited	8.4x
August 2016	Verizon Communications, Inc.	Fleetmatics Group PLC	6.3x
April 2016	Oracle Corporation	Textura Corporation	5.7x
April 2016	Vista Equity Partners	Cvent, Inc.	6.0x
February 2016	Insight Venture Partners	Diligent Corporation	4.6x
September 2015	Vista Equity Partners	Solera Holdings, Inc.	5.1x
February 2015	SS&C Technologies Holdings, Inc.	Advent Software, Inc.	6.4x
September 2014	SAP SE	Concur Technologies, Inc.	10.1x
December 2013	Oracle Corporation	Responsys, Inc.	6.8x

Based on the results of this analysis and other factors that J.P. Morgan considered appropriate, J.P. Morgan selected a multiple reference range for FV/NTM Revenue of 4.5x 7.0x. The FV/NTM Revenue multiples were then applied to Ellie Mae s estimated 2019 revenue, which indicated an implied equity value per share range for Ellie Mae common stock, rounded to the nearest $1.00, of $75.00 to $110.00.

Other Information

52-Week Historical Trading Range. For reference only and not as a component of its fairness analyses, J.P. Morgan reviewed the trading range for Ellie Mae common stock for the 52-week period ended February 1, 2019. J.P. Morgan noted that the low and high closing share prices during this period were $59.10 and $115.84 per share of Ellie Mae common stock, respectively.

Equity Research Analyst Price Targets. For reference only and not as a component of its fairness analyses, J.P. Morgan reviewed certain publicly available equity research analyst price targets for Ellie Mae common stock available as of February 1, 2019. J.P. Morgan noted that the range of such price targets, rounded to the nearest $1.00, was $52.00 to $100.00 per share of Ellie Mae common stock.

Miscellaneous. The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and the Opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create

Table of Contents

points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of Ellie Mae. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at the Opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support the Opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining the Opinion.

Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be acquired or sold. None of the selected companies reviewed as described in the above summary is identical to Ellie Mae, and none of the selected transactions reviewed was identical to the Merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan s analyses, may be considered similar to those of Ellie Mae. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of J.P. Morgan s analyses, may be considered similar to the Merger. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Ellie Mae and the transactions compared to the Merger.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes. J.P. Morgan was selected to advise Ellie Mae with respect to the Merger and deliver a fairness opinion to the Board of Directors with respect to the Merger on the basis of, among other things, such experience and its qualifications and reputation in connection with such matters and its familiarity with Ellie Mae and the industries in which it operates.

For services rendered in connection with the Merger and the delivery of the Opinion, Ellie Mae has agreed to pay J.P. Morgan a fee of approximately $37 million, of which $2 million became payable upon delivery of the Opinion and the remainder will be payable only upon the completion of the Merger. In addition, Ellie Mae has agreed to reimburse J.P. Morgan for its reasonable expenses incurred in connection with its services, including reasonable fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities arising out of J.P. Morgan s engagement. During the two years preceding the date of the Opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Ellie Mae and with Thoma Bravo and its affiliates (unrelated to the Merger) for which J.P. Morgan and such affiliates have received customary compensation. Such services during such period for Ellie Mae have included asset management services for which J.P. Morgan and such affiliates received less than $200,000 in compensation. Such services during such period for Thoma Bravo and its affiliates have included corporate finance and treasury services for which J.P. Morgan and such affiliates received less than $25,000,000 in compensation. In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of Ellie Mae, and an employee of an affiliate of J.P. Morgan serves as a member of an advisory board of Ellie Mae. In the ordinary course of J.P. Morgan s businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of Ellie Mae or Thoma Bravo and its affiliates for J.P. Morgan s own account or for the accounts of customers, and accordingly, J.P. Morgan may at any time hold long or short positions in such securities or other financial instruments.

Management Projections

Ellie Mae does not, as a matter of course, publicly disclose long-term forecasts or projections as to future performance, earnings or other results due to the inherent unpredictability of the underlying long-term

Table of Contents

assumptions, estimates and projections. However, Ellie Mae is including a summary of certain previously nonpublic, unaudited prospective financial information prepared by its management for the calendar years 2019-2028 (the Management Projections and together with the Five-Year Projections, the Projections) in order to provide Ellie Mae stockholders with access to information that was made available to, and approved by, the Board of Directors in connection with its evaluation of the Merger and the Per Share Merger Consideration. The Management Projections were based on the Five-Year Projections that Ellie Mae management presented to the Board of Directors in January 2019 in connection with the Board of Directors review of the proposed Merger, and updated to include certain financial forecasts for calendar years 2024-2028 and Unlevered Free Cash Flow for calendar years 2019-2028. A subset of the Five-Year Projections was made available to Parent and Merger Sub at Parent s request in connection with their due diligence review, and the Management Projections were made available to J.P. Morgan in connection with the rendering of J.P. Morgan s opinion to the Board of Directors.

The following table presents the Management Projections.

(in millions)										
	2019E	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**
Revenue	$ 535	$ 620	$ 723	$ 837	$ 937	$ 1,031	$ 1,113	$ 1,180	$ 1,228	$ 1,264
Adjusted EBITDA (1)	$ 155	$ 201	$ 266	$ 320	$ 379	$ 417	$ 450	$ 477	$ 496	$ 511
Unlevered Free Cash Flow (2)	$ 4	$ 58	$ 111	$ 163	$ 202	$ 220	$ 241	$ 257	$ 269	$ 277

(1) Adjusted EBITDA is a non-GAAP financial measure and is earnings before interest, tax, depreciation and amortization and excludes stock-based compensation expense.

(2) Unlevered Free Cash Flow is a non-GAAP financial measure and is calculated as Adjusted EBITDA (as shown in the table above) less (i) stock-based compensation, less (ii) estimated cash tax expense, less (iii) property and equipment capital expenditures, less (iv) internal-use software capital expenditures, plus or minus (v) change in net working capital.

The following table presents the Five-Year Projections, which is being made available in this proxy statement for informational purposes only.

(in millions)					
	2019E	**2020E**	**2021E**	**2022E**	**2023E**
Revenue	$ 535	$ 620	$ 723	$ 837	$ 937
Adjusted EBITDA (1)	$ 155	$ 201	$ 266	$ 320	$ 379
Free Cash Flow (2)	$ 68	$ 124	$ 178	$ 234	$ 278

(1) Adjusted EBITDA is a non-GAAP financial measure and is earnings before interest, tax, depreciation and amortization and excludes stock-based compensation expense.

(2) Free Cash Flow is a non-GAAP financial measure and is calculated as Adjusted EBITDA (as shown in the table above) less (i) estimated cash tax expense, less (ii) property and equipment capital expenditures, less

(iii) internal-use software capital expenditures, plus or minus (iv) change in net working capital and interest income.

The Projections were developed by Ellie Mae management on a standalone basis without giving effect to the Merger and the other transactions contemplated by the Merger Agreement, or any changes to Ellie Mae s operations or strategy that may be implemented after the consummation of the Merger, including any costs incurred in connection with the Merger and the other transactions contemplated by the Merger Agreement. Furthermore, the Projections do not take into account the effect of any failure of the transactions contemplated by the Merger Agreement to be completed and should not be viewed as accurate or continuing in that context. In the view of Ellie Mae management, the Management Projections have been reasonably prepared by Ellie Mae management on bases reflecting the best currently available estimates and judgments of Ellie Mae management of the future financial performance of Ellie Mae and other matters covered thereby.

Table of Contents

Although the Projections are presented with numerical specificity, they were based on numerous variables and assumptions made by Ellie Mae management with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to Ellie Mae s business, all of which are difficult or impossible to predict accurately and many of which are beyond Ellie Mae s control. The Projections constitute forward-looking information and are subject to many risks and uncertainties that could cause actual results to differ materially from the results forecasted in the Projections, including, but not limited to, Ellie Mae s performance, industry performance, general business and economic conditions, customer requirements, staffing levels, competition, adverse changes in applicable laws, regulations or rules, and the various risks set forth in Ellie Mae s reports filed with the SEC. There can be no assurance that the Projections will be realized or that actual results will not be significantly higher or lower than forecasted. The Projections cover several years, and such information by its nature becomes less reliable with each successive year. In addition, the Projections will be affected by Ellie Mae s ability to achieve strategic goals, objectives and targets over the applicable periods. The Projections reflect assumptions as to certain business decisions that are subject to change and cannot, therefore, be considered a guarantee of future operating results, and this information should not be relied on as such. The inclusion of the Projections should not be regarded as an indication that Ellie Mae, J.P. Morgan, their respective officers, directors, affiliates, advisors, or other representatives or anyone who received this information then considered, or now considers, them a reliable prediction of future events, and this information should not be relied upon as such. The inclusion of the Projections in this proxy statement should not be regarded as an indication that the Projections will be necessarily predictive of actual future events. No representation is made by Ellie Mae or any other person regarding the Projections or Ellie Mae s ultimate performance compared to such information. The Projections should be evaluated, if at all, in conjunction with the historical financial statements and other information about Ellie Mae contained in Ellie Mae s public filings with the SEC. For more information, please see the section of this proxy statement captioned Where You Can Find More Information. In light of the foregoing factors, and the uncertainties inherent in the Projections, stockholders are cautioned not to place undue, if any, reliance on the Projections.

The Projections were not prepared with a view toward public disclosure or with a view toward complying with the published guidelines of the SEC regarding projections or accounting principles generally accepted in the United States (GAAP), or the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. The non-GAAP financial measures used in the Management Projections were relied upon by J.P. Morgan for purposes of its opinion and by the Board of Directors in connection with its evaluation of the Merger. The SEC rules which would otherwise require a reconciliation of a non-GAAP financial measure to a GAAP financial measure do not apply to non-GAAP financial measures included in disclosures relating to a proposed business combination such as the Merger if the disclosure is included in a document such as this proxy statement. In addition, reconciliations of non-GAAP financial measures were not relied upon by J.P. Morgan for purposes of its opinion or by the Board of Directors in connection with its evaluation of the Merger. Accordingly, Ellie Mae has not provided a reconciliation of the financial measures included in the Projections to the relevant GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by Ellie Mae may not be comparable to similarly titled amounts used by other companies. Neither Ellie Mae s independent auditor nor any other independent accountant has compiled, examined or performed any procedures with respect to the Projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Adjusted EBITDA and Unlevered Free Cash Flow contained in the Management Projections and Adjusted EBITDA and Free Cash Flow contained in the Five-Year Projections set forth above, are non-GAAP financial measures, which are financial performance measures that are not calculated in accordance with GAAP. These non-GAAP financial measures should not be viewed as a substitute for GAAP financial measures and may be different from non-GAAP financial measures used by other companies. Furthermore, there are limitations inherent in non-GAAP financial measures because they exclude charges and credits that are required to be included in a GAAP presentation.

Accordingly, these non-GAAP financial measures should be considered together with, and not as an alternative to, financial measures prepared in accordance with GAAP. The summary

Table of Contents

of such information above is included solely to give stockholders access to the information that was made available to the Board of Directors, J.P. Morgan, Parent and Merger Sub, and is not included in this proxy statement in order to influence any stockholder to make any investment decision with respect to the Merger, including whether or not to seek appraisal rights with respect to their shares of Ellie Mae common stock.

In addition, the Projections have not been updated or revised to reflect information or results after the date they were prepared or as of the date of this proxy statement, and except as required by applicable securities laws, Ellie Mae does not intend to update or otherwise revise the Projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the underlying assumptions are shown to be in error.

Interests of Ellie Mae s Directors and Executive Officers in the Merger

When considering the recommendation of the Board of Directors that you vote to approve the proposal to adopt the Merger Agreement, you should be aware that our directors and executive officers may have interests in the Merger that are different from, or in addition to, the interests of stockholders generally, as more fully described below. The Board of Directors was aware of and considered these interests, among other matters, to the extent that they existed at the time, in approving the Merger Agreement and the Merger and recommending that the Merger Agreement be adopted by stockholders. These interests are described in more detail and, where applicable, are quantified in the narrative below.

Arrangements with Parent

As of the date of this proxy statement, none of our executive officers has entered into any agreement with Parent or any of its affiliates regarding employment with, or the right to purchase or participate in the equity of, the Surviving Corporation or one or more of its affiliates. Except as approved by the Board of Directors, from the date of the Merger Agreement, to the earlier of the termination of the Merger Agreement or the Effective Time, pursuant to the terms of the Merger Agreement, Parent and Merger Sub covenant not to, and covenant to not permit any of their subsidiaries or respective controlled affiliates to, authorize, make or enter into, any arrangements or understandings (formal or informal, binding or otherwise) with any executive officer of Ellie Mae (1) regarding any continuing employment or consulting relationship with the Surviving Corporation; (2) pursuant to which any such executive officer would be entitled to receive consideration of a different amount or nature than Ellie Mae stockholders; or (3) pursuant to which any such executive officer (directly or indirectly) would agree to provide equity investment to finance any portion of the Merger. Prior to and following the closing of the Merger, however, certain of our executive officers may have discussions, and following the closing of the Merger, may enter into agreements with, Parent or Merger Sub, their subsidiaries or their respective controlled affiliates regarding employment with, or the right to purchase or participate in the equity of, the Surviving Corporation or one or more of its affiliates.

Insurance and Indemnification of Directors and Executive Officers

For a period of six years after the Effective Time, the Surviving Corporation and Parent will indemnify, defend and hold harmless, and advance expenses to current or former directors, officers and employees of Ellie Mae with respect to all acts or omissions by them in their capacities as such at any time prior to the Effective Time (including any matters arising in connection with the Merger Agreement or the transactions contemplated thereby), to the fullest extent that Ellie Mae would be permitted by applicable law and to the fullest extent required by the organizational documents of Ellie Mae as in effect on the date of the Merger Agreement. For a period of six years after the Effective Time, Parent will cause the certificate of incorporation, bylaws or other organizational documents of the Surviving Corporation to contain provisions with respect to indemnification, advancement of expenses and limitation of director,

officer and employee liability that are no less favorable to the current or former directors, officers and employees of Ellie Mae than those set forth in Ellie Mae s organizational documents as of the date of the Merger Agreement. The Surviving Corporation will not, for a

Table of Contents

period of six years from the Effective Time, amend, repeal or otherwise modify these provisions in the organizational documents in any manner that would adversely affect the rights of the current or former directors, officers and employees of Ellie Mae.

The Merger Agreement also provides that, prior to the Effective Time, Ellie Mae may purchase a six-year prepaid tail policy on the same terms and conditions as Parent would be required to cause the Surviving Corporation to purchase as discussed below. Ellie Mae s ability to purchase a tail policy is subject to a cap on the premium equal to 300% of the aggregate annual premiums currently paid by Ellie Mae for its existing directors and officers liability insurance and fiduciary insurance for its last full fiscal year. If Ellie Mae does not purchase a tail policy prior to the Effective Time, for at least six years after the Effective Time, Parent will cause the Surviving Corporation to maintain in full force and effect, on terms and conditions no less advantageous to the current or former directors, officers and employees of Ellie Mae, the existing directors and officers liability insurance and fiduciary insurance maintained by the Ellie Mae as of the date of the Merger Agreement. The tail policy will cover claims arising from facts, events, acts or omissions that occurred at or prior to the Effective Time, including the transactions contemplated in the Merger Agreement. The obligation of Parent or the Surviving Corporation, as applicable, is subject to an annual premium cap of 300% of the aggregate annual premiums currently paid by Ellie Mae for such insurance, but if the costs exceed such cap, Parent or the Surviving Corporation will purchase as much of such insurance coverage as possible for such amount. For more information, please see the section of this proxy statement captioned Proposal 1: Adoption of the Merger Agreement Indemnification and Insurance.

Treatment of Company Options, Company RSU Awards, Company Restricted Stock Awards and Company Performance Share Awards

The Company from time to time has granted awards under Ellie Mae s 2009 Stock Option and Incentive Plan, as amended, and 2011 Equity Incentive Plan, including sub plans thereunder (collectively, the Company Equity Plans), of options to purchase shares of Ellie Mae common stock (each, a Company Option), restricted stock units covering shares of Ellie Mae common stock (each, a Company RSU Award), restricted stock awards denominated in Ellie Mae common stock (each, a Company Restricted Stock Award), and performance shares denominated in Ellie Mae common stock (each, a Company Performance Share Award).

As of February 13, 2019, there were 1,060,948 shares of Ellie Mae common stock subject to outstanding Company Options, 1,392,922 shares of Ellie Mae common stock subject to outstanding Company RSU Awards, 80,455 shares of Ellie Mae common stock subject to outstanding Company Restricted Stock Awards, and 87,680 shares of Ellie Mae common stock subject to outstanding Company Performance Share Awards.

At the Effective Time, each Company Option, Company RSU Award, and Company Restricted Stock Award that is unexpired, unexercised, outstanding and vested as of immediately before the Effective Time or that vests solely as a result of the consummation of the transactions contemplated by the Merger Agreement (each, a Vested Award) will be cancelled and automatically converted into the right to receive a cash amount equal to the product of: (1) the total number of shares of Ellie Mae common stock subject to the Vested Award, multiplied by (2) $99.00 (or, for each Company Option, the excess, if any, of $99.00 over the Company Option s per share exercise price), subject to any required tax withholdings (the Vested Award Cash-out Payment).

At the Effective Time, each Company Option, Company RSU Award, and Company Restricted Stock Award that is unexpired, unexercised, and outstanding as of immediately before the Effective Time that is not a Vested Award (each, an Unvested Award) will be cancelled and automatically converted into the right to receive the Cash Replacement Amount, subject to the vesting conditions described below. The Cash Replacement Amount will be equal to the product of: (1) the total number of shares of Ellie Mae common stock subject to the Unvested Award,

multiplied by (2) $99.00 (or, for each Company Option, the excess, if any, of $99.00 over the Company Option s per share exercise price), subject to any required tax withholdings. The Cash Replacement Amount will vest and be payable at the same time as the corresponding, cancelled Unvested Award would have vested and

Table of Contents

(subject to continued service) and will have the same terms as the corresponding, cancelled Unvested Award (including any accelerated vesting terms) that applied to the corresponding, cancelled Unvested Award in effect immediately before the Effective Time, except for terms rendered inoperative by reason of the Merger or for any appropriate administrative or ministerial changes.

Any Company Options (whether vested or unvested) with a per share exercise price equal to or greater than $99.00 will be cancelled immediately upon the Effective Time without payment or consideration.

At the Effective Time, each Company Performance Share Award and Company RSU Award that is outstanding immediately before the Effective Time and subject to performance-based vesting will become vested and nonforfeitable with respect to a number of shares of Ellie Mae common stock subject to such Company Performance Share Award or Company RSU Award, as applicable, calculated in accordance with their respective terms, and will be cancelled and converted automatically into the right to receive a cash amount equal to the Per Share Merger Consideration in respect of each vested share of Ellie Mae common stock subject to such Company Performance Share Award or Company RSU Award, subject to applicable tax withholding.

The Company Performance Share Awards granted in 2018 will be settled at a 165% of target level. The Company Performance Share Awards and performance-based Company RSU Awards granted in the first quarter of 2019 will be settled based on the level of achievement of the applicable performance metrics as reasonably determined by the Company or a committee thereof in good faith in accordance with the Company Equity Plans (provided that such level of achievement shall not exceed the greater of (1) 100% of target and (2) the actual achievement of the performance goals attributable to such Company Performance Share Awards and performance-based Company RSU Awards).

The Company Equity Plans will terminate as of the Effective Time.

Payments Upon Termination At or Following Change in Control

Employment Agreement with Sigmund Anderman

In January 2015, we entered into an amended employment agreement with Mr. Anderman that sets forth the terms and conditions of his employment as executive chairman of our Board of Directors. Under his amended employment agreement, if Mr. Anderman s employment is terminated without cause or he experiences a constructive termination of employment (as such terms are defined in his employment agreement), then Mr. Anderman will receive (1) a severance payment equal to the aggregate amount of base salary and target bonuses for which Mr. Anderman would have been eligible during the period from the date of his termination of employment through December 31, 2019 had he continued employment through December 31, 2019, (2) payment of, or reimbursement for, premiums to continue healthcare coverage for himself and his eligible dependents under COBRA through December 31, 2019, and (3) 100% accelerated vesting and, if applicable, exercisability of all of his outstanding equity awards, and, if applicable, such equity awards will be exercisable for the duration of their original term.

If Mr. Anderman s employment terminates due to his death or him becoming permanently disabled, then Mr. Anderman will receive the equity award benefits described in clause 3 of the preceding paragraph.

Mr. Anderman s right to the severance payments and benefits described above is conditioned upon (1) him executing and not revoking a general release of claims in our favor within 60 days following his termination of employment and (2) his compliance with his confidentiality and non-solicitation obligations to Ellie Mae under his amended employment agreement.

The amended employment agreement will terminate on December 31, 2019 by its terms.

Table of Contents

Employment Agreement with Jonathan Corr

In January 2015, we entered into an employment agreement with Mr. Corr that sets forth the terms and conditions of his employment as our president and Chief Executive Officer. Under his employment agreement, if Mr. Corr s employment is terminated without cause or he experiences a constructive termination of employment (each, a Covered Termination) prior to a change in control (such terms as defined in his employment agreement), then he will receive (1) a severance payment equal to 24 months of his base salary at the rate in effect immediately prior to his termination of employment and (2) payment of, or reimbursement for, premiums to continue healthcare coverage for himself and his eligible dependents under COBRA for up to 24 months following his termination of employment.

If Mr. Corr has a Covered Termination on or following a change in control, then he will receive the severance benefits described in the paragraph above (except the severance payment in clause (1) above will be based on his base salary immediately prior to the change in control if higher than his base salary immediately prior to such termination of employment), and if such Covered Termination occurs on or prior to the second anniversary of the change in control, each of his outstanding equity awards will automatically become vested and, if applicable, exerciseable with respect to 100% of the shares subject to such equity award, and, if applicable, such equity award will be exercisable for the duration of its original term.

If Mr. Corr s employment terminates due to his death or permanent disability, then he will receive (1) a pro-rata bonus for the year in which such termination of employment occurs, based on actual performance (with any individual performance goal determined at 100% of target) and (2) each of his outstanding equity awards will automatically become vested and, if applicable, exerciseable with respect to 100% of the shares subject to such equity award.

Mr. Corr s right to the severance payments and benefits described above is conditioned upon (1) him executing and not revoking a general release of claims in our favor within 60 days following his termination of employment and (2) his compliance with his confidentiality and non-solicitation obligations to Ellie Mae under his employment agreement.

Change in Control Severance Agreements with Dan Madden, Brian Brown, Carina Cortez, Joseph Tyrrell and Cathleen Schreiner Gates

We have entered into change in control severance agreements with each of Messrs. Brown, Madden and Tyrrell, and Mses. Cortez and Schreiner Gates. Under the terms of each of the change in control severance agreements, if the executive s employment is terminated other than for cause or as the result of a constructive termination within 60 days prior to a change in control (such terms as defined in the applicable change in control severance agreement) or on or within 12 months following a change in control, then the executive will receive: (1) a lump sum cash payment equal to 12 months of the executive s base salary at the higher of the rate in effect immediately prior to the change in control or the executive s termination of employment, (2) payment of, or reimbursement for, premiums to continue healthcare coverage for the executive and his or her eligible dependents under COBRA for up to 12 months following the executive s termination of employment, and (3) 100% accelerated vesting and, if applicable, exercisability of all of the executive s outstanding equity awards, and, if applicable, such equity awards will be exercisable for the duration of their original term. The initial term of each change in control severance agreements is three years, and thereafter the agreements automatically renew for successive one year terms unless Ellie Mae provides written notice of non-renewal to the executive officer at least 180 days prior to the expiration of the then-current term.

Each executive s right to the severance payments and benefits described above is conditioned upon (1) him or her executing and not revoking a general release of claims in our favor within 60 days following his or her termination of employment and (2) his or her compliance with the confidentiality and non-solicitation provisions in his or her change in control severance agreement.

53

Table of Contents

Change in Control Severance Agreement with Popi Heron

Ms. Heron is not currently one of our executive officers. Ms. Heron, however, served as our interim Chief Financial Officer during 2018 and is thus one of our named executive officers for our fiscal year ended December 31, 2018. Under Item 402(t) of Regulation S-K, we are required to disclose certain information regarding her compensation that is based on or otherwise relates to the merger. Accordingly, we have summarized below the terms of the change in control agreement in connection with this disclosure requirement.

In February 2019, we entered into a change in control severance agreement with Ms. Heron. Under the terms of her change in control severance agreement, if Ms. Heron s employment is terminated other than for cause or as the result of a constructive termination upon or within 12 months following a change in control (such terms as defined in her change in control severance agreement), then she will receive 100% accelerated vesting and, if applicable, exercisability of all her then outstanding and unvested equity awards. In addition, Ms. Heron will be entitled to receive a bonus equal to $80,069 on the 60th day following the earlier of (1) a change in control or (2) a termination of her employment other than for cause prior to the 60th day following a change in control.

In the event a change in control of Ellie Mae does not occur on or prior to February 8, 2020, the change in control severance agreement will terminate on February 8, 2020.

Ms. Heron s right to the severance payments and benefits described above is conditioned upon (1) her executing and not revoking a general release of claims in our favor within 60 days following her termination of employment and (2) her compliance with her confidentiality and non-solicitation obligations to Ellie Mae under her change in control severance agreement.

Quantification of Potential Payments to Ellie Mae Named Executive Officers in Connection with the Merger

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of Ellie Mae s named executive officers that is based on or otherwise relates to the Merger. This compensation is referred to as golden parachute compensation by the applicable SEC disclosure rules. The amounts set forth in the table below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this proxy statement and in the footnotes to the table. As a result, the actual amounts, if any, that a named executive officer receives may materially differ from the amounts set forth in the table.

The table below assumes that: (i) the Effective Time of the Merger will occur on February 13, 2019; (ii) the employment of the named executive officer will be terminated immediately following the Effective Time of the Merger in a manner entitling the named executive officer to receive the severance benefits described in the section of this proxy statement captioned Payments Upon Termination At or Following Change in Control; and (iii) no named executive officer becomes entitled to additional compensation or benefits or equity awards prior to the Effective Time of the Merger. Pursuant to applicable proxy disclosure rules, the value of the equity award vesting acceleration below is equal to the number of shares covered by the applicable Company Option, Company RSU Award, Company Restricted Stock Award or Company Performance Share Award that are accelerating multiplied by the Per Share Merger Consideration ($99.00 per share). The amounts shown in the table below do not include the value of payments or benefits that would have been earned, or any amounts associated with equity awards that would vest pursuant to their terms, on or prior to the Effective Time of the Merger, or the value of payments or benefits that are not based on or otherwise related to the Merger.

In the footnotes to the amounts shown in the table below, we refer to payments that are conditioned on the occurrence of both the Merger as well as the named executive officer s qualifying termination of employment as being payable on

a double-trigger basis, and we refer to payments that are conditioned only upon the occurrence of the Merger as being payable on a single-trigger basis. The individuals named below represent the named executive officers for Ellie Mae s fiscal year ending December 31, 2018.

Table of Contents

Golden Parachute Compensation (1)

Name (2)	Cash ($)(3)	Equity ($)(4)	Perquisites/ Benefits ($)(5)	Total ($)(6)
Jonathan Corr	950,000	22,617,936	36,120	23,604,056
Dan Madden	400,000	4,062,564	18,060	4,480,624
Cathleen Schreiner Gates	385,000	5,854,524	18,060	6,257,584
Joseph Tyrrell	385,000	6,118,755	18,060	6,521,815
Popi Heron	80,069	559,845		639,914
Carina Cortez	325,000	2,649,636	18,060	2,992,696

(1) The conditions under which each of these payments and benefits are to be provided are described in more detail above in the section of this proxy statement captioned Payments Upon Termination At or Following Change in Control. Under each of the Change in Control Severance Agreements (or in the case of Mr. Corr, his employment agreement) with our named executive officers, if payments and benefits payable to an executive would be subject to the excise tax imposed by Sections 280G and 4999 of the Code, such amounts will be cut back to the extent necessary to avoid such excise tax, unless the executive would be better off, on an after-tax basis, receiving full payment of such amounts. The effect of this provision and any related cut-backs are not reflected in the values disclosed in this table.

(2) Matthew LaVay, our former Chief Financial Officer, and Pete Hirsch, our former Executive Vice President, Technology and Operations, are also named executive officers of Ellie Mae for our fiscal year ended December 31, 2018. Mr. LaVay and Mr. Hirsch are no longer employed by Ellie Mae and have not received and are not eligible to receive any payments or benefits that are based on or otherwise related to the Merger. We note that Ellie Mae will continue to pay premiums for Mr. Hirsch to continue healthcare coverage under COBRA up to June 30, 2019 pursuant to a separation and release agreement that Ellie Mae entered into with Mr. Hirsch in December 2018, and that these benefits are not based on or otherwise related to the Merger.

(3) The amounts listed in this column represent the double trigger cash severance payments each named executive officer may become entitled to receive, as described in more detail in the section of this proxy statement captioned Payments Upon Termination At or Following Change in Control.

(4) The amounts listed in this column represent the double trigger accelerated vesting that each named executive officer may become entitled to receive with respect to his or her equity awards, as described in more detail in the section of this proxy statement captioned Payments Upon Termination At or Following Change in Control.

(5) The amounts listed in this column represent the value of the double trigger COBRA benefits that each named executive officer may become entitled to receive, as described in more detail in the section of this proxy statement captioned Payments Upon Termination At or Following Change in Control.

(6) None of the named executive officers is eligible to receive single trigger benefits (due upon the closing of the Merger). The double trigger benefits are the severance payments referenced in footnote (3), the double trigger equity award vesting referenced in footnote (4), and the welfare plan premiums referenced in footnote (5). When calculations are performed for purposes of calculating the amount of excise tax (and any related cutback), the value of a portion of the equity vesting will be discounted under applicable tax regulations.

Name	Single Trigger ($)	Double Trigger ($)
Jonathan Corr		23,604,056

Dan Madden	4,480,624
Cathleen Schreiner Gates	6,257,584
Joseph Tyrrell	6,521,815
Popi Heron	639,914
Carina Cortez	2,992,696

Table of Contents

Equity Awards Held by Ellie Mae s Executive Officers and Non-employee Directors

At the Effective Time of the Merger, each Company Option, Company RSU Award, Company Restricted Stock Award, and Company Performance Share Award held by our executives and non-employee directors will receive the treatment described in the section of this proxy statement captioned Treatment of Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Awards.

Each of our executive officers is eligible to receive the applicable vesting acceleration benefits with respect to his or her equity awards described above under the heading Payments Upon Termination At or Following Change in Control.

At the Effective Time each unvested equity award held by Ellie Mae s non-employee directors will become fully vested and, as applicable, exercisable pursuant to the terms of Ellie Mae s Non-Employee Director Equity Compensation Policy.

Equity Interests of Ellie Mae s Executive Officers and Non-employee Directors

The following table sets forth the number of shares of common stock and the number of shares of common stock underlying equity awards held by each of Ellie Mae s executive officers and non-employee directors that are outstanding as of February 13, 2019. The table also sets forth the values of these shares and equity awards, determined as the number of shares multiplied by the Per Share Merger Consideration (minus the applicable per share exercise price for any Company Options). No additional shares of common stock or equity awards were granted to any executive officer or non-employee director in contemplation of the Merger.

Equity Interests of Ellie Mae s Executive Officers and Non-employee Directors

ame	Shares (#) (1)	Shares ($)	Company Restricted Stock Awards (#) (2)	Company Restricted Stock Awards ($)	Company Options (#) (3)	Company Options ($)	Company RSUs (#) (4)(5)	Company RSUs ($)	Company Performance Shares (#) (6)(7)	Company Performance Shares ($)	Total ($
nund erman	78,906	$ 7,811,694			300,042	$ 19,089,955	6,945	$ 687,555	3,813	$ 377,487	$ 27,966,
than	69,349	$ 6,865,551	47,463	$ 4,698,837	2,731	$ 152,036	99,133	$ 9,814,167	81,868	$ 8,104,932	$ 29,635,
lden							27,357	$ 2,708,343	13,679	$ 1,354,221	$ 4,062,
n wn			6,527	$ 646,173	2,124	$ 81,877	17,669	$ 1,749,231	15,121	$ 1,496,979	$ 3,974,
na ez	108	$ 10,692					14,142	$ 1,400,058	12,622	$ 1,249,578	$ 2,660,
ph ell	984	$ 97,416	12,836	$ 1,270,764	8,710	$ 495,347	26,875	$ 2,660,625	21,907	$ 2,168,793	$ 6,692,
leen reiner es			12,836	$ 1,270,764	639	$ 27,954	25,364	$ 2,511,036	20,749	$ 2,054,151	$ 5,863,

en ing	2,023	$	200,277	1,727	$	55,903	2,105	$	208,395	$ 464,
cellato	21,953	$	2,173,347	71,121	$	5,780,267	2,105	$	208,395	$ 8,162,
g is	80,586	$	7,978,014	61,121	$	4,858,270	2,105	$	208,395	$ 13,004,
Barr an	4,107	$	406,593	39,455	$	2,905,080	2,105	$	208,395	$ 3,520,
ert J. n	9,878	$	977,922	76,121	$	6,352,511	2,105	$	208,395	$ 7,538,
ina nson	2,411	$	238,689	3,455	$	111,838	2,105	$	208,395	$ 558,
S. ncer	6,901	$	683,199	36,972	$	2,767,794	2,105	$	208,395	$ 3,659,
t eja	8,363	$	827,937	3,455	$	111,838	2,105	$	208,395	$ 1,148,

(1) This number includes shares of common stock beneficially owned, excluding shares subject to unvested Company Restricted Stock Awards and shares of common stock issuable upon exercise of Company Options, or settlement of Company RSU Awards, or payout of Company Performance Share Awards.

(2) This number reflects the number of shares of common stock subject to Company Restricted Stock Awards that were not vested as of February 13, 2019.

Table of Contents

(3) The number of shares of common stock subject to Company Options includes both vested and unvested Company Options. The number of shares subject to the vested and unvested portions of the Company Options and the value (determined as the aggregate number of underlying shares multiplied by the Per Share Merger Consideration minus the aggregate exercise price with respect to such shares) of those portions of the Company Options are as follows:

Name	Vested Company Options (#)	Vested Company Options ($)	Unvested Company Options (#)	Unvested Company Options ($)
Sigmund Anderman	283,253	$ 18,770,018	16,789	$ 319,937
Jonathan Corr	2,731	$ 152,036		
Dan Madden				
Brian Brown	1,995	$ 77,034	129	$ 4,843
Joseph Tyrrell	8,285	$ 476,775	425	$ 18,573
Cathleen Schreiner Gates	214	$ 9,382	425	$ 18,573
Karen Blasing	1,727	$ 55,903		
Carl Buccellato	71,121	$ 5,780,267		
Craig Davis	61,121	$ 4,858,270		
A. Barr Dolan	39,455	$ 2,905,080		
Robert J. Levin	76,121	$ 6,352,511		
Marina Levinson	3,455	$ 111,838		
Jeb S. Spencer	36,972	$ 2,767,794		
Rajat Taneja	3,455	$ 111,838		

(4) This number reflects the number of shares of common stock subject to Company RSU Awards that were not vested as of February 13, 2019.

(5) In connection with the Merger, the performance-based vesting Company RSU Award that was granted to Sigmund Anderman in the first quarter of 2019 will be settled based on the level of achievement of the applicable performance goals as reasonably determined by the Board of Directors or a committee thereof in good faith in accordance with the applicable Company Equity Plan (provided that such level of achievement will not exceed the greater of (1) 100% of target and (2) the actual achievement of the performance goals attributable to such Company RSU Award) and will receive the same treatment as all other Company RSU Awards will receive in the Merger. The amount in this column for Mr. Anderman assumes this Company RSU Award being settled at 100% of target pursuant to its terms. In addition, this column assumes that performance-based vesting Company RSU Awards granted to Mr. Anderman in 2018 will be settled at 75% of target.

(6) This number reflects the number of shares of common stock subject to Company Performance Shares that were not vested as of February 13, 2019.

(7) In connection with the Merger, the Company Performance Share Awards granted to our executives in 2018 will be settled at a 165% of target level in Company Restricted Stock Awards prior to the Closing, which Company Restricted Stock Awards will receive the same treatment in the Merger that all other Company Restricted Stock Awards will receive. The amounts in this column reflects the Company Performance Share Awards granted in 2018 to our executives being settled at 165% of target. In addition, in connection with the Merger, the Company Performance Share Awards granted to our executives in the first quarter of 2019 will be settled in Company RSU Awards based on the level of achievement of the applicable performance goals as reasonably determined by the Board of Directors or a committee thereof in good faith in accordance with the applicable Company Equity Plan

(provided that such level of achievement will not exceed the greater of (1) 100% of target and (2) the actual achievement of the performance goals attributable to such Company Performance Share Award) and will receive the same treatment as all other Company Performance Share Awards will receive in the Merger. The amount in this column assumes the Company Performance Share Awards granted to our executives in the first quarter of 2019 being settled at 100% of target pursuant to its terms.

Financing of the Merger

The obligation of Parent and Merger Sub to consummate the Merger is not subject to any financial condition.

We anticipate that the total amount of funds necessary to complete the Merger and the related transactions, and to pay the fees and expenses required to be paid at the closing of the Merger by Parent and Merger Sub under the Merger Agreement, will be approximately $3.6 billion. This amount includes the funds needed to: (1) pay stockholders the amounts due under the Merger Agreement and (2) make payments in respect of our outstanding equity-based awards pursuant to the Merger Agreement.

Table of Contents

Equity Financing

Pursuant to the Equity Commitment Letter, the Thoma Bravo Fund has agreed to provide Parent with an equity commitment sufficient to fund the aggregate purchase price required to be paid at the closing of the Merger and to also fund, together with cash on hand at Ellie Mae, certain fees and expenses to be paid at the closing of the Merger, contemplated by, and subject to the terms and conditions of, the Merger Agreement.

The Equity Commitment Letter provides, among other things, that: (1) Ellie Mae is an express third party beneficiary thereof with respect to enforcing Parent s right to cause the equity commitment under the Equity Commitment Letter by the Thoma Bravo Fund to be funded to Parent in order to consummate the Merger, if, and only if, (a) all conditions in Article VII of the Merger Agreement have been satisfied or waived (other than any conditions that by their nature are to be satisfied at the Closing, but subject to the prior or substantially concurrent satisfaction of such conditions), (b) Parent and Merger Sub fail to consummate the Closing by the date on which the Closing would otherwise be required to have occurred pursuant to Section 2.3 of the Merger Agreement and (c) Parent is required pursuant to a final and non-appealable order of a court of competent jurisdiction to specifically perform such obligations; and (2) the Thoma Bravo Fund will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (x) there is adequate remedy at law or (y) an award of specific performance is not an appropriate remedy for any reason at law or in equity. The Equity Commitment Letter may not be amended or otherwise modified without the prior written consent of Parent, the Thoma Bravo Fund and Ellie Mae.

Guaranty

Pursuant to the Guaranty, the Thoma Bravo Fund has agreed to guarantee the due, punctual and complete payment and performance of all of the liabilities and obligations of Parent under the Merger Agreement, including, but not limited to: (1) the aggregate amount of the Parent Termination Fee (as defined under the caption The Merger Termination Fee) solely if and when any of the Parent Termination Fee is payable pursuant to the Merger Agreement; (2) any amounts due by Parent pursuant to legal proceedings as a result of default under the Merger Agreement; and (3) the reimbursement obligations of Parent pursuant to the indemnification obligations to Ellie Mae and its representatives in connection with any debt financing. We refer to the obligations set forth in the preceding sentence as the Guaranteed Obligations. The obligations of the Thoma Bravo Fund under the Guaranty are subject to a cap equal to $258 million.

Subject to specified exceptions, the Guaranty will terminate upon the earliest of:

- funding of the commitment under the Equity Commitment Letter;
- the closing of the Merger;
- (1) the payment and full discharge of any reimbursement obligations which Ellie Mae has requested reimbursement for within 90 days following the valid termination of the Merger Agreement and (2) the valid termination of the Merger Agreement in accordance with its terms, other than a termination pursuant to which Ellie Mae would be entitled to a Parent Termination Fee under the Merger Agreement, in which case the Guaranty shall terminate 90 days after such termination unless Ellie Mae shall have delivered a written notice with respect to the Guaranteed Obligations prior to such 90th day; provided that if the Merger

Agreement has been so terminated and such notice has been provided, the Thoma Bravo Fund, as the guarantor entity under the Guaranty, shall have no further liability or obligation under the Guaranty from and after the earliest of (x) the Closing of the Merger, including payment of the aggregate merger consideration payable at the Closing in accordance with the Merger Agreement, (y) a final, non-appealable order of a court of competent jurisdiction determining that the Thoma Bravo Fund, as the guarantor entity under the Guaranty, does not owe any amount under the Guaranty and (z) a written agreement among the Thoma Bravo Fund, as the guarantor entity under the Guaranty, and Ellie Mae terminating the obligations and liabilities of the Thoma Bravo Fund, as the guarantor entity under the Guaranty, pursuant to the Guaranty; and

Table of Contents

payment of the Guaranteed Obligations by the Thoma Bravo Fund, as the guarantor entity under the Guaranty, Parent and/or Merger Sub to Ellie Mae.

Closing and Effective Time

The closing of the Merger will take place no later than the second business day following the satisfaction or waiver in accordance with the Merger Agreement of all of the conditions to closing of the Merger (as described under the caption, Proposal 1: Adoption of the Merger Agreement Conditions to the Closing of the Merger), other than conditions that by their terms are to be satisfied at the closing but subject to the satisfaction or waiver of such conditions.

Appraisal Rights

If the Merger is consummated, stockholders who continuously hold shares of Ellie Mae common stock through the Effective Time, who do not vote in favor of the adoption of the Merger Agreement and who properly demand appraisal of their shares and who do not withdraw their demands or otherwise lose their rights of appraisal will be entitled to seek appraisal of their shares in connection with the Merger under Section 262 the DGCL (Section 262). The following discussion is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of Section 262, which is attached to this proxy statement as Annex C and incorporated herein by reference. The following summary does not constitute any legal or other advice and does not constitute a recommendation that stockholders exercise their appraisal rights under Section 262. All references in Section 262 and in this summary to a stockholder are to the record holder of shares of Ellie Mae common stock unless otherwise expressly noted herein. Only a holder of record of shares of Ellie Mae common stock is entitled to demand appraisal of the shares registered in that holder s name. A person having a beneficial interest in shares of Ellie Mae common stock held of record in the name of another person, such as a bank, broker, trust or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights. **If you hold your shares of Ellie Mae common stock through a bank, broker or other nominee and you wish to exercise appraisal rights, you should consult with your bank, broker or the other nominee.**

Under Section 262, if the Merger is completed, holders of shares of Ellie Mae common stock who: (1) submit a written demand for appraisal of their shares, (2) do not vote in favor of the adoption of the Merger Agreement; (3) continuously are the record holders of such shares through the Effective Time; and (4) otherwise exactly follow the procedures set forth in Section 262 may be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Ellie Mae common stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest to be paid on the amount determined to be fair value, if any, as determined by the court. However, after an appraisal petition has been filed, the Delaware Court of Chancery will dismiss appraisal proceedings as to all stockholders who have asserted appraisal rights unless (a) the total number of shares for which appraisal rights have been pursued and perfected exceeds 1% of the outstanding shares of Ellie Mae common stock as measured in accordance with subsection (g) of Section 262; or (b) the value of the aggregate Per Share Merger Consideration in respect of the shares of Ellie Mae common stock for which appraisal rights have been pursued and perfected exceeds $1 million (conditions (a) and (b) referred to as the ownership thresholds). Unless the Delaware Court of Chancery, in its discretion, determines otherwise for good cause shown, interest on an appraisal award will accrue and compound quarterly from the Effective Time through the date the judgment is paid at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during such period. However, at any time before the Delaware Court of Chancery enters judgment in the appraisal proceedings, the Surviving Corporation may voluntarily pay to each stockholder entitled to appraisal an amount in cash pursuant to subsection (h) of Section 262, in which case such interest will accrue after the time of such payment only on an amount that equals the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, in addition to any interest accrued prior to the time of such

voluntary cash payment, unless paid at such time. The Surviving Corporation is under no obligation to make such voluntary cash payment prior to such entry of judgment.

Table of Contents

Under Section 262, where a Merger Agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders who was such on the record date for notice of such meeting with respect to shares for which appraisal rights are available that appraisal rights are available and include in the notice a copy of Section 262. This proxy statement constitutes Ellie Mae s notice to stockholders that appraisal rights are available in connection with the Merger, and the full text of Section 262 is attached to this proxy statement as Annex C. In connection with the Merger, any holder of shares of Ellie Mae common stock who wishes to exercise appraisal rights, or who wishes to preserve such holder s right to do so, should review Annex C carefully. Failure to strictly comply with the requirements of Section 262 in a timely and proper manner may result in the loss of appraisal rights under the DGCL. A stockholder who loses his, her or its appraisal rights will be entitled to receive the Per Share Merger Consideration described in the Merger Agreement. Moreover, because of the complexity of the procedures for exercising the right to seek appraisal of shares of Ellie Mae common stock, Ellie Mae believes that if a stockholder considers exercising such rights, that stockholder should seek the advice of legal counsel.

Stockholders wishing to exercise the right to seek an appraisal of their shares of Ellie Mae common stock must do **ALL** of the following:

- the stockholder must not vote in favor of the proposal to adopt the Merger Agreement;
- the stockholder must deliver to Ellie Mae a written demand for appraisal before the vote on the Merger Agreement at the Special Meeting;
- the stockholder must continuously hold the shares from the date of making the demand through the Effective Time (a stockholder will lose appraisal rights if the stockholder transfers the shares before the Effective Time); and
- the stockholder (or any person who is the beneficial owner of shares of Ellie Mae common stock held either in a voting trust or by a nominee on behalf of such person) or the Surviving Corporation must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the Effective Time. The Surviving Corporation is under no obligation to file any petition and has no intention of doing so.

In addition, one of the ownership thresholds must be met.

Because a proxy that does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the Merger Agreement, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the adoption of the Merger Agreement, abstain or not vote its shares.

Filing Written Demand

Any holder of shares of Ellie Mae common stock wishing to exercise appraisal rights must deliver to Ellie Mae, before the vote on the adoption of the Merger Agreement at the Special Meeting at which the proposal to adopt the Merger Agreement will be submitted to stockholders, a written demand for the appraisal of the stockholder s shares, and that stockholder must not vote or submit a proxy in favor of the adoption of the Merger Agreement. A holder of

shares of Ellie Mae common stock exercising appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the Effective Time. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the Merger Agreement, and it will constitute a waiver of the stockholder s right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the adoption of the Merger Agreement or abstain from voting, or otherwise fail to vote, on the adoption of the Merger Agreement. Neither voting against the adoption of the Merger Agreement nor abstaining from voting or failing to vote on the proposal to adopt the Merger Agreement will, in and of itself, constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to

Table of Contents

and separate from any proxy or vote on the adoption of the Merger Agreement. A proxy or vote against the adoption of the Merger Agreement will not constitute a demand. A stockholder s failure to make the written demand prior to the taking of the vote on the adoption of the Merger Agreement at the Special Meeting of Ellie Mae stockholders will constitute a waiver of appraisal rights.

Only a holder of record of shares of Ellie Mae common stock is entitled to demand appraisal rights for the shares registered in that holder s name. A demand for appraisal in respect of shares of Ellie Mae common stock must be executed by or on behalf of the holder of record, and must reasonably inform Ellie Mae of the identity of the holder and state that the person intends thereby to demand appraisal of the holder s shares in connection with the Merger. If the shares are owned of record in a fiduciary or representative capacity, such as by a trustee, guardian or custodian, such demand must be executed by or on behalf of the record owner, and if the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand must be executed by or on behalf of all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose that, in executing the demand, the agent is acting as agent for the record owner or owners.

STOCKHOLDERS WHO HOLD THEIR SHARES IN BROKERAGE OR BANK ACCOUNTS OR OTHER NOMINEE FORMS AND WHO WISH TO EXERCISE APPRAISAL RIGHTS SHOULD CONSULT WITH THEIR BANK, BROKER OR OTHER NOMINEES, AS APPLICABLE, TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKER OR OTHER NOMINEE TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BANK, BROKER OR OTHER NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT APPRAISAL RIGHTS.

All written demands for appraisal pursuant to Section 262 should be mailed or delivered to:

Ellie Mae, Inc.

Attention: Investor Relations

4420 Rosewood Drive, Suite 500

Pleasanton, CA 94588

Any holder of shares of Ellie Mae common stock who has delivered a written demand to Ellie Mae and who has not commenced an appraisal proceeding or joined that proceeding as a named party may withdraw his, her or its demand for appraisal and accept the consideration offered pursuant to the Merger Agreement by delivering to Ellie Mae a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the Effective Time will require written approval of the Surviving Corporation. No appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, however, that this shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder s demand for appraisal and to accept the Per Share Merger Consideration within 60 days after the Effective Time. If an appraisal proceeding is commenced and Ellie Mae, as the Surviving Corporation, does not approve a request to withdraw a demand for appraisal when that approval is required, or, except with respect to any stockholder who withdraws such stockholder s demand in accordance with the proviso in the immediately preceding sentence, if the Delaware Court of Chancery

does not approve the dismissal of an appraisal proceeding with respect to a stockholder, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the per share merger consideration being offered pursuant to the Merger Agreement.

Table of Contents

Notice by the Surviving Corporation

If the Merger is completed, within 10 days after the Effective Time, the Surviving Corporation will notify each holder of shares of Ellie Mae common stock who has properly made a written demand for appraisal pursuant to Section 262, and who has not voted in favor of the adoption of the Merger Agreement, that the Merger has become effective and the effective date thereof.

Filing a Petition for Appraisal

Within 120 days after the Effective Time, but not thereafter, the Surviving Corporation or any holder of shares of Ellie Mae common stock who has complied with Section 262 and is entitled to seek appraisal under Section 262 (including for this purpose any beneficial owner of the relevant shares) may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the Surviving Corporation in the case of a petition filed by a stockholder (or beneficial owner), demanding a determination of the fair value of the shares held by all dissenting stockholders entitled to appraisal. The Surviving Corporation is under no obligation, and has no present intention, to file a petition, and stockholders should not assume that the Surviving Corporation will file a petition or initiate any negotiations with respect to the fair value of the shares of Ellie Mae common stock. Accordingly, any holders of shares of Ellie Mae common stock who desire to have their shares appraised should initiate all necessary action to perfect their appraisal rights in respect of their shares of Ellie Mae common stock within the time and in the manner prescribed in Section 262. The failure of a holder of Ellie Mae common stock to file such a petition within the period specified in Section 262 could nullify the stockholder s previous written demand for appraisal.

Within 120 days after the Effective Time, any holder of shares of Ellie Mae common stock who has complied with the requirements of Section 262 and who is entitled to appraisal rights thereunder will be entitled, upon written request, to receive from the Surviving Corporation a statement setting forth the aggregate number of shares not voted in favor of the adoption of the Merger Agreement and with respect to which Ellie Mae has received demands for appraisal, and the aggregate number of holders of such shares. The Surviving Corporation must mail this statement to the requesting stockholder within 10 days after receipt by the Surviving Corporation of the written request for such a statement or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later. A beneficial owner of shares of Ellie Mae common stock held either in a voting trust or by a nominee on behalf of such person may, in such person s own name, file a petition seeking appraisal or request from the Surviving Corporation the foregoing statements. As noted above, however, the demand for appraisal can only be made by a stockholder of record.

If a petition for an appraisal is duly filed by a holder of shares of Ellie Mae common stock and a copy thereof is served upon the Surviving Corporation, the Surviving Corporation will then be obligated within 20 days after such service to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached. Upon the filing of any such petition, the Delaware Court of Chancery may order that notice of the time and place fixed for the hearing on the petition be mailed to the Surviving Corporation and all of the stockholders shown on the written statement described above at the addresses stated therein. Such notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication determined by the court. The costs of these notices are borne by the Surviving Corporation. After notice to stockholders as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded payment for their shares to submit their stock certificates (if any) to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings and, if any stockholder fails to comply

with the direction, the Delaware Court of Chancery may dismiss that stockholder from the proceedings. The Delaware Court of Chancery will dismiss appraisal proceedings as to all stockholders who have asserted appraisal rights if neither of the ownership thresholds is met.

Table of Contents

Determination of Fair Value

After determining the holders of Ellie Mae common stock entitled to appraisal and that at least one of the ownership thresholds described above has been satisfied as to stockholders seeking appraisal rights, the appraisal proceeding will be conducted in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding, the Delaware Court of Chancery will determine the fair value of the shares of Ellie Mae common stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value, the Delaware Court of Chancery will take into account all relevant factors. Unless the court in its discretion determines otherwise for good cause shown, interest from the Effective Time through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the Effective Time and the date of payment of the judgment. However, at any time before the Delaware Court of Chancery enters judgment in the appraisal proceedings, the Surviving Corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case such interest will accrue after the time of such payment only on an amount that equals the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, in addition to any interest accrued prior to the time of such voluntary payment, unless paid at such time.

In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that [f]air price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the Merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the Merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Supreme Court of Delaware also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the Merger and not the product of speculation, may be considered. In addition, the Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenting stockholder s exclusive remedy.

Stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined by the Delaware Court of Chancery could be more than, the same as or less than the consideration they would receive pursuant to the Merger if they did not seek appraisal of their shares and that an opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a Merger is not an opinion as to, and does not in any manner address, fair value under Section 262. **No representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the Per Share Merger Consideration**. Neither Ellie Mae nor Parent anticipates offering more than the Per Share Merger Consideration to any stockholder exercising appraisal rights, and each of Ellie Mae and Parent reserves the rights to make a voluntary cash payment pursuant to subsection (h) of Section 262 and to assert, in any appraisal proceeding, that for purposes of Section 262, the fair value of a share of Ellie Mae common stock is less than the Per Share Merger Consideration. If a petition for appraisal is not timely filed, or if neither of the ownership thresholds described above has been satisfied as to stockholders seeking appraisal rights, then the right to an appraisal will cease. The costs of the appraisal proceedings (which do not include attorneys fees or the fees and expenses of experts) may be determined by

the Delaware Court of Chancery and charged upon the parties as the Delaware Court of Chancery deems equitable under the circumstances. Upon application of a stockholder, the Delaware Court of Chancery may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal proceeding, including, without

Table of Contents

limitation, reasonable attorneys fees and the fees and expenses of experts, be charged pro rata against the value of all the shares entitled to be appraised. In the absence of such determination or assessment, each party bears its own expenses.

If any stockholder who demands appraisal of his, her or its shares of Ellie Mae common stock under Section 262 fails to perfect, or effectively loses or withdraws, such holder s right to appraisal, the stockholder s shares of Ellie Mae common stock will be deemed to have been converted at the Effective Time into the right to receive the Per Share Merger Consideration. A stockholder will fail to perfect, or effectively lose or withdraw, the holder s right to appraisal if no petition for appraisal is filed within 120 days after the Effective Time, if neither of the ownership thresholds described above has been satisfied as to stockholders seeking appraisal rights or if the stockholder delivers to the Surviving Corporation a written withdrawal of the holder s demand for appraisal and an acceptance of the Per Share Merger Consideration in accordance with Section 262.

From and after the Effective Time, no stockholder who has demanded appraisal rights will be entitled to vote such shares of Ellie Mae common stock for any purpose or to receive payment of dividends or other distributions on the stock, except dividends or other distributions on the holder s shares of Ellie Mae common stock, if any, payable to stockholders as of a time prior to the Effective Time. If no petition for an appraisal is filed, if neither of the ownership thresholds described above has been satisfied as to the stockholders seeking appraisal rights, or if the stockholder delivers to the Surviving Corporation a written withdrawal of the demand for an appraisal and an acceptance of the Merger, either within 60 days after the Effective Time or thereafter with the written approval of the Surviving Corporation, then the right of such stockholder to an appraisal will cease. Once a petition for appraisal is filed with the Delaware Court of Chancery, however, the appraisal proceeding may not be dismissed as to any stockholder without the approval of the court, and such approval may be conditioned upon such terms as the court deems just; provided, however, that the foregoing shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder s demand for appraisal and to accept the terms offered upon the Merger within 60 days after the Effective Time.

Failure to comply strictly with all of the procedures set forth in Section 262 may result in the loss of a stockholder s statutory appraisal rights. Consequently, any stockholder wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights.

Accounting Treatment

The Merger will be accounted for as a purchase transaction for financial accounting purposes.

Material U.S. Federal Income Tax Consequences of the Merger

The following discussion is a summary of material U.S. federal income tax consequences of the Merger that may be relevant to U.S. Holders and Non-U.S. Holders (each as defined below) of shares of Ellie Mae common stock whose shares are converted into the right to receive cash pursuant to the Merger. This summary is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to an Ellie Mae stockholder in light of its particular circumstances. In addition, this summary does not describe any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction and does not consider any aspects of U.S. federal tax law other than income taxation. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated under the Code, court decisions, published positions of the Internal Revenue Service (the IRS), and other applicable authorities, all as in effect on the date of this proxy statement and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. This discussion is limited to Ellie Mae stockholders who hold their shares of Ellie Mae common stock as capital assets within the meaning of Section 1221 of

the Code (generally, property held for investment purposes).

Table of Contents

This discussion is for general information only and does not address all of the tax consequences that may be relevant to Ellie Mae stockholders in light of their particular circumstances. For example, this discussion does not address:

- tax consequences that may be relevant to Ellie Mae stockholders who may be subject to special treatment under U.S. federal income tax laws, such as banks or other financial institutions; tax-exempt organizations; retirement or other tax deferred accounts; S corporations, partnerships or any other entities or arrangements treated as partnerships or pass-through entities for U.S. federal income tax purposes (or an investor in a partnership, S corporation or other pass-through entity); insurance companies; mutual funds; dealers in stocks and securities; traders in securities that elect to use the mark-to-market method of accounting for their securities; regulated investment companies; real estate investment trusts; entities subject to the U.S. anti-inversion rules; certain former citizens or long-term residents of the United States; or, except as noted below, holders that own or have owned (directly, indirectly or constructively) five percent or more of Ellie Mae common stock (by vote or value);

- tax consequences to Ellie Mae stockholders holding their shares of Ellie Mae common stock as part of a hedging, constructive sale or conversion, straddle or other risk reduction transaction;

- tax consequences to Ellie Mae stockholders whose shares of Ellie Mae common stock constitute qualified small business stock within the meaning of Section 1202 of the Code;

- tax consequences to Ellie Mae stockholders that received their shares of Ellie Mae common stock in a compensatory transaction, through a tax qualified retirement plan or pursuant to the exercise of options or warrants;

- tax consequences to Ellie Mae stockholders who own an equity interest in Parent following the Merger;

- tax consequences to U.S. Holders whose functional currency is not the U.S. dollar;

- tax consequences to Ellie Mae stockholders who hold their Ellie Mae common stock through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States;

- tax consequences arising from the Medicare tax on net investment income;

- tax consequences to Ellie Mae stockholders subject to special tax accounting rules as a result of any item of gross income with respect to the shares of Ellie Mae common stock being taken into account in an applicable financial statement (as defined in Section 451(b) of the Code);

the U.S. federal estate, gift or alternative minimum tax consequences, if any, as a result of the Merger;

any state, local or non-U.S. tax consequences as a result of the Merger; or

tax consequences to Ellie Mae stockholders that do not vote in favor of the Merger and that properly demand appraisal of their shares under Section 262 of the DGCL or that entered into a non-tender and support agreement as part of the transaction described in this proxy statement.

If a partnership (including an entity or arrangement, domestic or non-U.S., treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of shares of Ellie Mae common stock, then the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partner and the partnership. Partnerships holding shares of Ellie Mae common stock and partners therein should consult their tax advisors regarding the consequences of the Merger.

We have not sought, and do not intend to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation.

THE FOLLOWING SUMMARY IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. WE URGE YOU TO

Table of Contents

CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES TO YOU IN CONNECTION WITH THE MERGER IN LIGHT OF YOUR OWN PARTICULAR CIRCUMSTANCES, INCLUDING FEDERAL ESTATE, GIFT AND OTHER NON-INCOME TAX CONSEQUENCES, AND TAX CONSEQUENCES UNDER STATE, LOCAL OR NON-U.S. TAX LAWS.

U.S. Holders

For purposes of this discussion, a U.S. Holder is a beneficial owner of shares of Ellie Mae common stock that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (1) that is subject to the primary supervision of a court within the United States and the control of one or more United States persons as defined in Section 7701(a)(30) of the Code; or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The receipt of cash by a U.S. Holder in exchange for shares of Ellie Mae common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, such U.S. Holder s gain or loss will be equal to the difference, if any, between the amount of cash received and the U.S. Holder s adjusted tax basis in the shares of Ellie Mae common stock surrendered pursuant to the Merger. Gain or loss must be determined separately for each block of shares (that is, shares of Ellie Mae common stock acquired at the same cost in a single transaction). A U.S. Holder s adjusted tax basis generally will equal the amount that such U.S. Holder paid for the shares of Ellie Mae common stock. A U.S. Holder s gain or loss on the disposition of shares of Ellie Mae common stock will generally be characterized as capital gain or loss. Any such gain or loss will be long-term capital gain or loss if such U.S. Holder s holding period in such shares is more than one year at the time of the completion of the Merger. A reduced tax rate on capital gain generally will apply to long-term capital gain of a non-corporate U.S. Holder (including individuals). The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

The following is a summary of the material U.S. federal income tax consequences that will apply to you if you are a Non-U.S. Holder. The term Non-U.S. Holder means a beneficial owner of Ellie Mae common stock that is, for U.S. federal income tax purposes, not a U.S. Holder.

Special rules, not discussed herein, may apply to certain Non-U.S. Holders, such as:

- certain former citizens or long-term residents of the United States;

controlled foreign corporations;

passive foreign investment companies;

corporations that accumulate earnings to avoid U.S. federal income tax; and

pass-through entities, or investors in such entities.

Any gain realized by a Non-U.S. Holder pursuant to the Merger generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with a trade or business of such Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or

Table of Contents

fixed base maintained by such Non-U.S. Holder in the United States), in which case such gain generally will be subject to U.S. federal income tax at rates generally applicable to U.S. persons, and, if the Non-U.S. Holder is a corporation, such gain may also be subject to the branch profits tax at a rate of 30% (or a lower rate under an applicable income tax treaty);

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 disposition of shares of Ellie Mae common stock pursuant to the Merger, and certain other specified conditions are met, in which case such gain will be subject to U.S. federal income tax at a rate of 30% (or a lower rate under an applicable income tax treaty), which gain may be offset by certain U.S. source capital losses of such Non-U.S. Holder; or

Ellie Mae is or has been a United States real property holding corporation as such term is defined in Section 897(c) of the Code (USRPHC), at any time within the shorter of the five-year period preceding the Merger or such Non-U.S. Holder s holding period with respect to the applicable shares of Ellie Mae common stock (the Relevant Period) and, if shares of Ellie Mae common stock are regularly traded on an established securities market (within the meaning of Section 897(c)(3) of the Code), such Non-U.S. Holder owns directly or is deemed to own pursuant to attribution rules more than 5% of Ellie Mae common stock at any time during the Relevant Period, in which case such gain will be subject to U.S. federal income tax at rates generally applicable to U.S. persons (as described in the first bullet point above), except that the branch profits tax will not apply. Although there can be no assurances in this regard, we believe that we are not, and have not been, a USRPHC at any time during the five-year period preceding the Merger.

Information Reporting and Backup Withholding

Information reporting and backup withholding (currently, at a rate of 24%) may apply to the proceeds received by an Ellie Mae stockholder pursuant to the Merger. Backup withholding generally will not apply to (1) a U.S. Holder that furnishes a correct taxpayer identification number and certifies that such holder is not subject to backup withholding on IRS Form W-9 (or a substitute or successor form) or (2) a Non-U.S. Holder that (i) provides a certification of such holder s foreign status on the appropriate series of IRS Form W-8 (or a substitute or successor form) or (ii) otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the holder s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

The foregoing summary does not discuss all aspects of U.S. federal income taxation that may be relevant to particular holders of Ellie Mae common stock. Ellie Mae stockholders should consult their own tax advisors as to the particular tax consequences to them of exchanging their Ellie Mae common stock for cash pursuant to the Merger under any federal, state, local or non-U.S. tax laws.

Withholding on Foreign Entities

Sections 1471 through 1474 of the Code (FATCA), impose a U.S. federal withholding tax of 30% on certain payments made to a foreign financial institution (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain 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) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification

identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. Subject to the recently released proposed Treasury Regulations described below, FATCA

Table of Contents

will apply to gross proceeds from sales or other dispositions of Ellie Mae common stock after December 31, 2018. The United States Treasury Department recently released proposed regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition Ellie Mae common stock. In its preamble to such proposed regulations, the U.S. Treasury Department stated that taxpayers may generally rely on the proposed regulations until final regulations are issued.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on the disposition of Ellie Mae common stock pursuant to the Merger.

Regulatory Approvals Required for the Merger

General

Ellie Mae and Parent have agreed to take all action necessary to comply with all regulatory notification requirements, and, subject to certain limitations, to obtain all regulatory approvals required to consummate the Merger and the other transactions contemplated by the Merger Agreement. These approvals include approval under the HSR Act and any other applicable antitrust laws (whether domestic or foreign).

HSR Act and U.S. Antitrust Matters

Under the HSR Act and the rules promulgated thereunder, certain acquisitions may not be completed until information has been furnished to the Antitrust Division of the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC), and the applicable HSR Act waiting period has expired or been terminated. The waiting period under the HSR Act is 30 calendar days, unless the waiting period is terminated earlier or extended by a request for additional information and documentary material. The Merger is subject to the provisions of the HSR Act and therefore cannot be completed until Ellie Mae and Parent file a notification and report form with the FTC and the DOJ under the HSR Act and the applicable waiting period has expired or been terminated. Ellie Mae and Thoma Bravo Fund XIII-A, L.P. made the necessary filings with the FTC and the Antitrust Division of the DOJ on February 21, 2019. Ellie Mae and Thoma Bravo Fund XIII-A, L.P. may also file pre-merger or post-merger notification filings, forms and submissions with other Governmental Authorities pursuant to other applicable antitrust laws in connection with the Merger to the extent required in the reasonable judgement of counsel to Parent and Ellie Mae. The Merger Agreement provides that Ellie Mae, Parent and Merger Sub will use reasonable best efforts to obtain regulatory clearance, including, to the extent necessary to obtain clearance of the Merger pursuant to the HSR Act and any other antitrust laws applicable to the Merger, including that Parent and Merger Sub will offer, commit to and effect, by consent decree, hold separate order or otherwise, (A) the sale, divestiture, license or other disposition of any and all of the capital stock or other equity or voting interest, assets (whether tangible or intangible), rights, products or businesses of Parent and Merger Sub (and their respective Affiliates, if applicable), on the one hand, and Ellie Mae, on the other hand; and (B) any other restrictions on the activities of Parent and Merger Sub (and their respective Affiliates, if applicable), on the one hand, and Ellie Mae, on the other hand; and (ii) contest, defend and appeal any Legal Proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Merger.

At any time before or after consummation of the Merger, notwithstanding the termination or expiration of the waiting period under the HSR Act, the FTC or the DOJ could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the Merger, seeking divestiture of substantial assets of the parties, or requiring the parties to license or hold separate assets or terminate existing relationships and contractual rights. At any time before or after the completion of the Merger, any state or foreign jurisdiction could take such action under the antitrust laws as it deems necessary or desirable in the public interest.

Such action could include seeking to enjoin the completion of the Merger or seeking divestiture of substantial assets of the parties. Private parties may also seek to take legal action under the antitrust laws under certain circumstances. We cannot be certain that a challenge to the Merger will not be made or that, if a challenge is made, we will prevail.

Table of Contents

Other Regulatory Approvals

One or more governmental agencies may impose a condition, restriction, qualification, requirement or limitation when it grants the necessary approvals and consents. Third parties may also seek to intervene in the regulatory process or litigate to enjoin or overturn regulatory approvals, any of which actions could significantly impede or even preclude obtaining required regulatory approvals. There is currently no way to predict how long it will take to obtain all of the required regulatory approvals or whether such approvals will ultimately be obtained and there may be a substantial period of time between the approval by stockholders and the completion of the Merger.

Although we expect that all required regulatory clearances and approvals will be obtained, we cannot assure you that these regulatory clearances and approvals will be timely obtained, obtained at all or that the granting of these regulatory clearances and approvals will not involve the imposition of additional conditions on the completion of the Merger, including the requirement to divest assets, or require changes to the terms of the Merger Agreement. These conditions or changes could result in the conditions to the Merger not being satisfied.

Litigation Relating to the Merger

On March 6, 2019, Michael Kent, a purported stockholder of Ellie Mae, filed a putative class action complaint against Ellie Mae and our Board of Directors in the United States District Court for the District of Delaware (the Delaware District Court), captioned Michael Kent v. Ellie Mae, Inc. et al., Case No. 1:19-cv-00473-UNA. The complaint filed by Michael Kent (the Kent Complaint) alleges that (a) Ellie Mae and our Board of Directors violated Section 14(a) of the Exchange Act, and Rule 14a-9 promulgate thereunder, by filing this Proxy Statement, which allegedly fails to disclose and/or misrepresents material information about the Merger, and (b) the members of our Board of Directors, as control persons of Ellie Mae, violated Section 20(a) of the Exchange Act in connection with the filing of this allegedly materially deficient Proxy Statement. Michael Kent has asked the Delaware District Court to, among other things, (i) enjoin the defendants and all persons acting in concert with them from proceeding with, consummating, or closing the proposed transaction, (ii) rescind, to the extent already consummated, the proposed transaction, or grant the plaintiff recissory damages, (iii) direct the defendants to file a proxy statement that does not contain any untrue statements of material fact and states all material facts required to make the statements contained therein not misleading, (iv) declare that the defendants violated Sections 14(a) and/or 20(a) of the Exchange Act as well as Rule 14a-9 promulgated thereunder and (v) award plaintiff the costs of the action, included reasonable allowance for plaintiff s attorneys and experts fees.

On March 7, 2019, Shiva Stein, a purported stockholder of Ellie Mae, filed a putative class action complaint against Ellie Mae and our Board of Directors in the United States District Court for the Northern District of California (the California District Court), captioned Shiva Stein v. Ellie Mae, Inc. et al., Case No. 3:19-cv-01261. The complaint filed by Shiva Stein (the Stein Complaint) alleges that (a) Ellie Mae and our Board of Directors violated Section 14(a) of the Exchange Act, and 17 C.F.R. § 244.100 promulgated thereunder, by filing this Proxy Statement, which allegedly fails to disclose and/or misrepresents material information about the Merger, (b) Ellie Mae and our Board of Directors violated Section 14(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder, by filing this Proxy Statement, which allegedly fails to disclose and/or misrepresents material information about the Merger, and (c) the members of our Board of Directors, as control persons of Ellie Mae, violated Section 20(a) of the Exchange Act in connection with the filing of this allegedly materially deficient Proxy Statement. Shiva Stein has asked the California District Court to, among other things, (i) enjoin the defendants and all persons acting in concert with them from proceeding with, consummating, or closing the proposed transaction, (ii) rescind, to the extent already consummated, the proposed transaction, or grant the plaintiff recissory damages, (iii) award compensatory damages against the defendants in an amount to be determined at trial and (iv) award plaintiff the costs of the action, included reasonable allowance for plaintiff s counsel and experts fees.

69

Table of Contents

On March 11, 2019, Carole Epstein, a purported stockholder of Ellie Mae, filed a putative class action complaint against Ellie Mae and our Board of Directors in the Delaware District Court, captioned Carole Epstein v. Ellie Mae, Inc. et al., Case No. 1:19-cv-00486-UNA. The complaint filed by Carole Epstein (the Epstein Complaint) alleges that (a) Ellie Mae and our Board of Directors violated Section 14(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder, by filing this Proxy Statement, which allegedly fails to disclose and/or misrepresents material information about the Merger and (b) the members of our Board of Directors, as control persons of Ellie Mae, violated Section 20(a) of the Exchange Act in connection with the filing of this allegedly materially deficient Proxy Statement. Carole Epstein has asked the Delaware District Court to, among other things, (i) enjoin the defendants and all persons acting in concert with them from proceeding with, consummating, or closing the proposed transaction, (ii) rescind, to the extent already consummated, the proposed transaction, or grant the plaintiff recissory damages, (iii) direct the defendants to file a proxy statement that does not contain any untrue statements of material fact and states all material facts required to make the statements contained therein not misleading, (iv) declare that the defendants violated Sections 14(a) and/or 20(a) of the Exchange Act as well as Rule 14a-9 promulgated thereunder and (v) award plaintiff the costs of the action, included reasonable allowance for plaintiff s attorneys and experts fees.

Ellie Mae believes that the above described claims are without merit and intends to vigorously defend both actions. Ellie Mae cannot predict the outcome of or estimate the possible loss or range of loss from either matter. It is possible that additional, similar complaints may be filed or the complaints described above will be amended. If this occurs, Ellie Mae does not intend to announce the filing of each additional, similar complaint or any amended complaint unless it contains allegations that are substantially distinct from those made in the pending actions described above.

Table of Contents

PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT

The following summary describes the material provisions of the Merger Agreement. The descriptions of the Merger Agreement in this summary and elsewhere in this proxy statement are not complete and are qualified in their entirety by reference to the Merger Agreement, a copy of which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. You should carefully read and consider the entire Merger Agreement, which is the legal document that governs the Merger, because this summary may not contain all the information about the Merger Agreement that is important to you. ***The rights and obligations of the parties are governed by the express terms of the Merger Agreement and not by this summary or any other information contained in this proxy statement.***

The representations, warranties, covenants and agreements described below and included in the Merger Agreement (1) were made only for purposes of the Merger Agreement and as of specific dates; (2) were made solely for the benefit of the parties to the Merger Agreement; and (3) may be subject to important qualifications, limitations and supplemental information agreed to by Ellie Mae, Parent and Merger Sub in connection with negotiating the terms of the Merger Agreement. In addition, the representations and warranties have been included in the Merger Agreement for the purpose of allocating contractual risk between Ellie Mae, Parent and Merger Sub rather than to establish matters as facts, and may be subject to standards of materiality applicable to such parties that differ from those applicable to investors. Stockholders are not third party beneficiaries under the Merger Agreement and should not rely on the representations, warranties, covenants and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of Ellie Mae, Parent or Merger Sub or any of their respective affiliates or businesses. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement. In addition, you should not rely on the covenants in the Merger Agreement as actual limitations on the respective businesses of Ellie Mae, Parent and Merger Sub, because the parties may take certain actions that are either expressly permitted in the confidential disclosure letter to the Merger Agreement or as otherwise consented to by the appropriate party, which consent may be given without prior notice to the public. The Merger Agreement is described below, and included as Annex A, only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding Ellie Mae, Parent, Merger Sub or their respective businesses. Accordingly, the representations, warranties, covenants and other agreements in the Merger Agreement should not be read alone, and you should read the information provided elsewhere in this document and in our filings with the SEC regarding Ellie Mae and our business.

Effects of the Merger; Directors and Officers; Certificate of Incorporation; Bylaws

The Merger Agreement provides that, subject to the terms and conditions of the Merger Agreement, and in accordance with the DGCL, at the Effective Time: (1) Merger Sub will be merged with and into Ellie Mae, with Ellie Mae becoming a wholly owned subsidiary of Parent; and (2) the separate corporate existence of Merger Sub will thereupon cease. From and after the Effective Time, the Surviving Corporation will possess all properties, rights, privileges, powers and franchises of Ellie Mae and Merger Sub, and all of the debts, liabilities and duties of Ellie Mae and Merger Sub will become the debts, liabilities and duties of the Surviving Corporation.

At the Effective Time, the board of directors of the Surviving Corporation will consist of the directors of Merger Sub as of immediately prior to the Effective Time, to hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation until their successors are duly elected or appointed and qualified. At the Effective Time, the officers of Ellie Mae as of immediately prior to the Effective Time will be the officers of the Surviving Corporation, until their successors are duly appointed. At the Effective Time, the certificate of incorporation of Ellie Mae as the Surviving Corporation will be amended to read substantially identically to the certificate of incorporation of Merger Sub as in effect immediately prior to the Effective Time, and the bylaws of

Merger Sub, as in effect immediately prior to the Effective Time, will become the bylaws of the Surviving Corporation, until thereafter amended.

Table of Contents

Closing and Effective Time

The closing of the Merger will take place no later than the second business day following the satisfaction or waiver of all conditions to closing of the Merger (described below under the caption, Conditions to the Closing of the Merger) (other than those conditions to be satisfied at the closing of the Merger) or such other time agreed to in writing by Parent, Ellie Mae and Merger Sub. On the Closing Date, the parties will file a certificate of merger with the Secretary of State for the State of Delaware as provided under the DGCL. The time at which the Merger will become effective will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware in accordance with the applicable provision of the DGCL (the time of such filing and the acceptance for record by the Secretary of State of the State of Delaware, or such later time as may be agreed in writing by Parent, Merger Sub and Ellie Mae and specified in the certificate of merger, being referred to herein as the Effective Time).

Merger Consideration

Ellie Mae common stock

At the Effective Time, and without any action required by any stockholder, each share of Ellie Mae common stock (other than Excluded Shares, which include, for example, shares of Ellie Mae common stock owned by stockholders who have properly and validly exercised their statutory rights of appraisal under Section 262 of the DGCL) outstanding as of immediately prior to the Effective Time will be cancelled and extinguished, and automatically converted into the right to receive the Per Share Merger Consideration, less any applicable withholding taxes.

Outstanding Company Options, Company RSU Awards, Company Restricted Stock Awards, and Company Performance Share Award

At the Effective Time, each Vested Award (other than vested Company Options with a per share exercise price equal to or greater than $99.00) will be cancelled and automatically converted into the right to receive the Vested Award Cash-out Payment (as described above).

At the Effective Time, each Unvested Award will be cancelled and automatically converted into the right to receive the applicable Cash Replacement Amount (as described above), subject to the vesting conditions described below. The Cash Replacement Amount will vest and be payable (subject to continued service) at the same time as the corresponding, cancelled Unvested Award would have vested and will have the same terms (including any vesting acceleration terms) that applied to the cancelled Unvested Award, except for terms rendered inoperative by reason of the Merger or for any applicable administrative or ministerial changes.

Any Company Option (whether vested or unvested) with a per share exercise price equal to or greater than $99.00 will be cancelled immediately upon the Effective Time without payment or consideration.

At the Effective Time, each Company Performance Share Award and Company RSU Award that is outstanding immediately before the Effective Time and subject to performance-based vesting will become vested and nonforfeitable with respect to a number of shares of Ellie Mae common stock subject to such Company Performance Share Award or Company RSU Award, as applicable, calculated in accordance with their respective terms, and will be cancelled and converted automatically into the right to receive a cash amount equal to the Per Share Merger Consideration in respect of each vested share of Ellie Mae common stock subject to such Company Performance Share Award or Company RSU Award, subject to applicable tax withholding.

The Company Performance Share Awards granted in 2018 will be settled at a 165% of target level. The Company Performance Share Awards and performance-based Company RSU Awards granted in the first quarter of 2019 will be settled based on the level of achievement of the applicable performance metrics as reasonably determined by the Company or a committee thereof in good faith in accordance with the Company Equity Plans

Table of Contents

(provided that such level of achievement shall not exceed the greater of (1) 100% of target and (2) the actual achievement of the performance goals attributable to such Company Performance Share Awards and performance-based Company RSU Awards).