

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## GLOWPOINT, INC.

**Form: 10-K**

**Date Filed: 2015-03-05**

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2014  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 001-35376

**GLOWPOINT, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**77-0312442**

(I.R.S. Employer Identification No.)

**1776 Lincoln Street, Suite 1300, Denver, CO**

(Address of principal executive offices)

**80203**

(Zip Code)

**Registrant's telephone number, including area code: (303) 640-3838**

**Securities registered pursuant to Section 12(b) of the Exchange Act:**

Title of each class

Name of each exchange on which  
registered

Common Stock, \$0.0001 par value

NYSE MKT

**Securities registered pursuant to Section 12(g) of the Exchange Act: None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in the Rule 405 of the Securities Act of 1933. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).  
Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2014, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$28,371,450.

The number of shares of the Registrant's common stock outstanding as of March 2, 2015 was 35,773,357.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2014, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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**GLOWPOINT, INC.**  
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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K (this “Report”) contains statements that are considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and its rules and regulations (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended, and its rules and regulations (the “Exchange Act”). These forward-looking statements include, but are not limited to, statements about the plans, objectives, expectations and intentions of Glowpoint, Inc. (“Glowpoint” or “we” or “us” or the “Company”). All statements other than statements of current or historical fact contained in this Report, including statements regarding Glowpoint’s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” and similar expressions, as they relate to Glowpoint, are intended to identify forward-looking statements. These statements are based on Glowpoint’s current plans, and Glowpoint’s actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this Report may turn out to be inaccurate. Glowpoint has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. There are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including our plans, objectives, expectations and intentions and other factors that are discussed under the section entitled “Risk Factors”. Glowpoint undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to Glowpoint or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Report. Forward-looking statements in this Report include, among other things: our corporate objectives for 2015; our ability to meet commercial commitments; our expectations and estimates relating to customer attrition, future revenues, expenses and cash flows; estimated 2015 principal payments on our debt arrangements; our ability to service debt obligations and fund operations; our intention to retain any earnings to finance development; our ability to raise capital in our ATM Offering, in private placements or otherwise; our beliefs about inflation; our beliefs about employee relations; statements about businesses increasingly seeking out managed services and hosted, cloud-based infrastructure to support and power their user community and video technologies; our beliefs about the service offerings of our competitors and our ability to differentiate Glowpoint’s services; our growth strategies, including strategies around growing market share; beliefs about the strength of our intellectual property, including patents and pending patents; and our plans to seek acquisition opportunities that complement and expand Glowpoint’s current business.

## PART I

### Item 1. Business

#### Overview

Glowpoint, Inc. (“Glowpoint” or “we” or “us” or the “Company”) is a provider of video collaboration services and network solutions. Our scalable services are designed to provide both high-touch and self-service models to help customers adopt video as a more efficient and effective mode of business collaboration. Our customers include Fortune 1000 companies, along with small and medium enterprises in a variety of industries. We market our services globally through a multi-channel sales approach that includes direct sales and channel partners.

The Company was formed as a Delaware corporation in May 2000. In October 2012, the Company acquired Affinity VideoNet, Inc. (“Affinity”), a service provider for public videoconference suites and managed videoconferencing. On December 31, 2014, the Company merged Affinity, its wholly owned subsidiary, into the Company. The Company operates in one segment and therefore segment information is not presented.

#### Our Services

##### Video Collaboration Services

We provide a wide range of video collaboration services, from “self-service” to highly-managed, to address the spectrum of user needs and business use cases, and to drive adoption of video throughout the enterprise. We deliver our video collaboration solutions from our cloud-based service platform or as a service layer on top of our customers’ video infrastructure. We provide our customers with the following suite of services to meet their videoconferencing needs:

**Managed Videoconferencing** is a “high-touch” concierge-based offering where Glowpoint sets up and manages customer videoconferences. We offer managed videoconferencing both as a cloud-based service, with videoconferences hosted in the

Glowpoint Cloud, as described below under the heading “Intellectual Property”, and as an on-premise solution leveraging the customer’s existing video infrastructure. Managed Videoconferencing is available globally and works effectively across multiple networks and video devices, including desktop and mobile devices. Despite a trend to move towards “self-service,” customers remain highly reliant on scheduling, event support and conference management. Our managed videoconferencing services are offered to our customers on either a usage basis or on a monthly subscription. These services include:

**Scheduling:** Customers can schedule their videoconference using Microsoft Outlook®, Cisco TelePresence Management Suite®, or through Glowpoint’s CustomerPoint® web portal.

**Call Launching:** Once the videoconference is scheduled, it automatically launches at the designated time. Glowpoint will “bridge” the videoconference by calling the selected video endpoints at the time of the scheduled call and make sure they are properly connected. Automated launching creates cost efficiencies for both customers and Glowpoint and provides a desired evolution path that aligns with the market trend towards increasing self-service models.

**Conference Monitoring & Support:** Glowpoint’s systems will monitor the video meeting to make sure everything remains properly connected and operable during a conference. If an incident occurs during a meeting, a conference producer can reconnect and/or fix issues per standard practices or as requested by the customer.

**Conference Reports:** Customer administrators can generate reports through our portal to show videoconference details, statistics and success rate.

**JoinMyVideo™** is an on-demand video meeting room (“VMR”) service that allows users to join from web browsers, desktops, mobile apps, and commonly used videoconferencing systems. We introduced JoinMyVideo™ in the first quarter of 2015 to meet customers’ needs to use video communications in a mobile environment, as discussed further under the heading “Market Need”. With JoinMyVideo™, users are able to manage the participants in the video meeting, allowing up to 24 participants to join the meeting. JoinMyVideo™ is a cloud-based software-as-a-service (“SaaS”) solution, so the customer has no infrastructure to buy and maintain. JoinMyVideo™ is offered to our customers on a monthly subscription basis.

**Hybrid Videoconferencing** helps enterprises migrate from managed videoconferencing to VMRs by bringing together attributes of both services. Users can schedule their VMR, add endpoints, and send invitations to participants through an online portal. At the scheduled time, the VMR is launched connecting the scheduled endpoints and allowing self-service users to join from video systems and desktop and mobile video apps. We introduced our Hybrid Video Conferencing service in the first quarter of 2015 as we believe that merging these connection capabilities is powerful and accommodates all types of users and meetings.

**Video Meeting Suites** provide remote access to videoconferencing for everyday business meetings and events, allowing our customers to conduct meetings and events in over 4,000 physical meeting suites across 1,300 cities without investing in video devices or infrastructure. We have partnered with the owners of these videoconference centers and arrange for our customers to hold videoconferences at convenient locations across the world based on the customers’ needs. Our primary service includes the scheduling and management of a highly orchestrated business-class meeting for a professional meeting experience. As part of the extended offering beyond the physical office suite, we also enable participants who elect to use a mobile device to join a video conference from anywhere in the world. These services are largely usage-based. We also offer our customers monthly subscription rates based on a fixed number of concurrent users.

**Webcasting** events enable our customers to stream live video feeds to up to thousands of viewers through their browsers and mobile devices. Enterprises often use this service on a quarterly basis for earnings calls and town hall events.

## **Remote Service Management**

Our Remote Service Management provides an overlay to enterprise information technology (“IT”) and channel partner support organizations and provide 24/7 support and management of customer video environments. Our services are aligned with globally recognized set of best practices, Information Technology Infrastructure Library (“ITIL”), to standardize processes and communicate through a consistent set of terms with our customers and partners. We leverage a best-in-class IT service management (“ITSM”) provider, ServiceNow Inc., to systematically provide Remote Service Management, as well as enable Glowpoint to integrate with an enterprise’s systems and workflows.

We offer three tiers of Service Management options, ranging from automated monitoring to end-to-end management to complement the needs of the IT support organizations, as described below:

**Resolve - Total Support** is our most comprehensive management and support service and targets enterprises that want to completely

offload day-to-day operations of their video environment. We provide:

**24x7 Support Desk:** Around-the-clock access to our expert staff via phone and email for support inquiries.

**Incident Management:** Systematic management of incidents from service request to closure. All incidents are tracked and visible from our online ITSM portal.

**Problem Management:** Root cause analysis and coordination to prevent and quickly repair incidents.

**Change Management:** Management of maintenance contracts for infrastructure and endpoints to ensure systems are up to date, operating at peak performance, and have coverage from the manufacturer.

**Site Certifications:** Baseline testing of endpoints to make sure they're configured for optimal performance.

**Service Level Agreements:** Performance guarantees with our SLA/SLO backed services.

**Helpdesk** provides level 1 support and allows enterprise IT to scale and expand the reach of support to end users. We complement the existing staff by taking the initial service request from the end users and providing incident management. We provide:

**24x7 Support Desk:** Around-the-clock access to our expert staff via phone and email for support inquiries.

**Incident Management:** Systematic management of minor incidents, general service inquiries, and an initial assessment for major and critical incidents. We escalate major incidents to the appropriate and responsible parties.

**Proactive Monitoring** is a remote and automated monitoring service that detects events and alerts customers' IT when a service impacting event is discovered. The service is provided in conjunction with either Resolve or Helpdesk. We provide:

**Event Management:** 24/7 monitoring of our customers' infrastructure and endpoints with email alerts when events are detected.

**Automated Video Room Sweeps ("AVRS"):** Our custom developed service accesses our customers' endpoints every night, measures audio & video quality, and verifies firmware.

## Network Services

Glowpoint's network services provide our customers around the world with network solutions that ensure reliable, high-quality and secure traffic of video, data and internet. Network services are offered to our customers on a monthly subscription. Our network services business carries variable costs associated with the purchasing and reselling of this connectivity. We offer our customers the following networking solutions that can be tailored to each customer's needs:

- **Cloud Connect: Video™** allows our customers to outsource the management of their video traffic to us and provides the customer's office locations with a secure, dedicated video network connection to the Glowpoint Cloud for video communications.
- **Cloud Connect: Converge™** provides customized Multiprotocol Label Switching ("MPLS") solutions for customers who require a converged network. A converged network is an efficient network solution that combines the customer's voice, video, data, and also Internet traffic over one or more common access circuits. Glowpoint fully manages and prioritizes traffic to ensure that video and other business critical applications run smoothly.
- **Cloud Connect: Cross Connect™** allows the customer to leverage their existing carrier for the extension of a Layer 2 private line to Glowpoint's data center.

## Professional and Other Services

Our Professional Services include onsite support, or dispatch, as well as configuration or customization of equipment or software on behalf of a customer. On a limited basis, we also resell video equipment to our customers.

## Sales and Marketing

We currently sell our services through a direct sales force and indirect sales channels. As of December 31, 2014, we had 18 full-time employees engaged in sales and marketing. Our sales/account management team is responsible for developing relationships and expanding opportunities within our existing customer base as well as targeting our services to other large and medium-sized corporations. We partner with agents and wholesale channels to expand the size and reach of these efforts. The customers we target have a proven need for business communication services in diverse vertical markets, such as computer software, professional services, business services, manufacturing and financial services. Our channel sales allow us to extend our reach to businesses of all sizes and geographies. The efforts of our channel sales group focus on partnering with resellers, such as system integrators and service providers, to leverage their customer bases and distribution channels. We private label or co-brand our services for these partners depending on their requirements.

We primarily focus our marketing efforts on direct marketing programs aimed at our target buyer personas (e.g., IT decision makers) within our target verticals. We seek to generate qualified leads for our sales team, educate and retain existing customers, generate brand awareness through proactive public relations including social media and drive service enhancements using research and customer feedback.

## **Market Need**

Many enterprises have become dependent on video communications for increased productivity and reduced operating costs, thus making video communications part of their core business practices. With the technology advancements over the past few years, including browser-based and mobile video, the options for video collaboration solutions and services are greater than ever before. The growing combinations of hardware, software, and networks challenge enterprise IT with finding the right fit for their business objectives. Enterprises must consider and account for maintaining a return on investment with the existing technology deployment while preventing technology obsolescence, implementation and integration, user adoption, analytics, and management and support. As a result, businesses are increasingly seeking an outsourced partner for managed services and hosted, cloud-based infrastructure to mitigate risk, reduce operational costs, and increase user satisfaction by delivering a higher caliber support level to their business.

We believe that many customers cannot fully support quality video communications on their existing infrastructure and network. Enterprises have reduced or curtailed investments in immersive telepresence (“ITP”) video conferencing systems, now preferring cloud-based solutions and personal or smaller group video systems. Enabling desktops and mobility remains a primary enterprise objective. As demand for ITP systems and related services decreases, and the demand for mobility and personal video services increases, we will continue to evolve our solutions to align with and attempt to satisfy this market demand.

Glowpoint provides enterprises with the ability to simplify the video experience, which increases adoption and user participation. Glowpoint’s unique and wide range of video collaboration services provides a service for every user and meeting type within the enterprise. Our ITSM platform delivers the right tools, automation, and analytics to partners to enable a successful video deployment.

## **Competition**

We primarily compete with managed services companies, videoconferencing equipment resellers and Tier 1 telecommunication providers, including British Telecom, AT&T, Verizon, Telus, Citrix, York Telecom, SPS, Whitlock, and AVI-SPL. The market has attracted start-up and venture capital-backed companies that offer hosted videoconference bridging solutions, including Blue Jeans Networks, Vidyo and Zoom. Lastly, the technology and software providers, including Cisco, LifeSize, Microsoft (Lync/Skype for Business) and Polycom, are delivering competitive cloud-based video conferencing and calling services. The Company’s competitors offer services similar to ours both on a bundled and un-bundled basis, creating a highly competitive environment with pressure on pricing of such services. Competitor solutions also create opportunities for integration and support services for Glowpoint.

We believe Glowpoint differentiates itself based on its full suite of cloud and managed video collaboration services in combination with the ITSM platform for support automation. We believe our services are unique based on our intellectual property, user interfaces and capabilities that Glowpoint has built over the years.

## **Customers**

Our customers include Fortune 1000 companies, along with small and medium enterprises in a variety of industries. Market segments that account for 5% or more of our revenue for 2014, listed in order of approximate contribution to revenue, were as follows: consulting, 32%; insurance, 9%; broadcast/media, 8%, banking and finance, 8%; and engineering and construction, 7%. Our largest customer, a channel partner, represented a total of approximately 11% of our revenue for the fiscal year ended

December 31, 2014, and 7% of our outstanding accounts receivable at December 31, 2014. This customer has notified the Company that it intends to terminate the services provided by the Company on or before June 30, 2015. Two additional customers accounted for 15% and 13% of our outstanding accounts receivable at December 31, 2014. Any further reduction in the use of our services or the business failure by another of our major customers and/or wholesale channel partners could have a material adverse effect on our business and results of operations.

## **Intellectual Property**

Glowpoint has invested in research and development, engineering and application development in the process of building our managed service and cloud platforms. Some of this development has led to issued patents and a number of patent applications, as described below, along with ongoing recognition in the industry as having unique tools and applications to enable their video applications.

### ***Cloud Architecture***

The Glowpoint Cloud is based on a Service Oriented Architecture (“SOA”) framework that enables us to create unique unified communication service offerings. Glowpoint’s cloud based-video services can be delivered as a software and infrastructure service in a hosted environment or can support a hybrid with a mix of public and private clouds.

Videoconferencing has traditionally presented challenges for the user by presenting a complex maze of systems and networks that must be navigated through and closely managed. Although most of the business-quality video systems today are “standards-based,” there are inherent interoperability problems between different vendors’ video equipment, resulting in communication islands. Glowpoint’s suite of cloud and managed video services can be accessed and utilized by customers regardless of the technology and network they are using. Customers who purchase a Cisco, Polycom, Avaya, or LifeSize (Logitech) system, or use any other third-party video communications software such as Lync, WebEx or even WebRTC, may all take advantage of the Glowpoint Cloud regardless of their choice of network. We have built the Glowpoint Cloud to support all standard video signaling protocols, including SIP, H.323 and Integrated Services Digital Network (“ISDN”) using infrastructure from a variety of manufacturers.

The Glowpoint Cloud combines years of best practices, experience and technology development into a video collaboration platform that provides instant connectivity, self-serve and managed help desk resources, and the ease of use that makes video collaboration seamless and effortless. Beyond the technology and applications, the Glowpoint Cloud is built around security protocols to enable enterprises and organizations of any size to communicate with other desired video users in a secure, high-quality and reliable fashion.

### ***Video Service Platform***

In January 2015, Glowpoint launched our next generation Video Service Platform to provide enterprise customers with a cloud-based system for managing video collaboration. The Platform leverages industry leading IT service management provider, ServiceNow Inc., and this Video Service Platform is currently available to Glowpoint’s channel partners and enterprise customers. The Video Service Platform’s scalability and multi-tenant design allows Glowpoint and its channel partners to seamlessly activate thousands of existing and new enterprise customers. It is completely web-based and accessible from any device. The Video Service Platform automates and streamlines critical functions and workflows needed by IT organizations for managing enterprise video collaboration environments, including incident management, change management, and reporting/analytics for continuous improvement. Other benefits provided to enterprise IT include:

- Better transparency into the performance of the enterprise collaboration environment via business intelligence metrics, reporting and management dashboards;
- Greater scale with self-service support; giving end users an easy interface for submitting/tracking tickets;
- Deeper expertise for managing video collaboration with access to Glowpoint’s Remote Service Management services and knowledge base;
- More efficiencies gained by automating manual tasks and workflows including escalations, updates/notifications, and provisioning; and
- Access to internationally recognized best practices for service management (ITIL).

### ***Patents and Patents-Pending***

The development of our “video as a service” applications and network architecture has resulted in a significant amount of proprietary information and technology including real-time metering and billing for video calls and intelligent call routing. We believe that our patented and patent-pending proprietary technology provides an important barrier for competitive offerings of similar video communications services.

We have been awarded six patents:

- U.S. Patent No. 7,200,213 was awarded in April 2007 for our live video operator assistance feature. Our “Live Operator” technology provides customers with the ability to obtain live, face-to-face assistance and has widespread application, from general video call assistance to “video concierge” services. This patent is an essential component of providing “expert on demand” and telepresence “white glove” business class support services. This patent expires November 17, 2024.
- U.S. Patent No. 7,664,098 was awarded in February 2010 for our real-time metering and billing for Internet Protocol (“IP”) based calls. Our “Call Detail Records” patent for IP-based calls provides the ability to meter and bill an end-user on a transactional basis, just as traditional telephone calls are billed. This unique capability is a vital development as more and more telepresence and video conferencing calling traffic is distributed over disparate IP-based networks – rather than ISDN – as B2B calling is becoming much more common for video users. This patent expires August 4, 2026.
- U.S. Patent No. 7,916,717 was awarded in March 2011 for our Systems and Method for Automated Routing of Incoming and Outgoing Video Calls between IP and ISDN networks. This technology ensures the simple and seamless migration from ISDN to IP for the purpose of connecting IP users with ISDN systems around the world. This automated call routing capability has been leveraged to provide a least cost routing and gateway method to customers. This patent expires September 16, 2028.
- U.S. Patent No. 8,259,152 was awarded in September 2012 for our Video Call Distributor, which includes systems and methods for distributing high quality real time video calls over an IP Packet-Based Wide Area Network, leveraging existing routing rules and logic of a call management system. This patent expires July 3, 2031.
- U.S. Patent No. 8,576,270 was awarded in November 2013 for our Intelligent Call Management and Redirection systems and methods. These systems and methods can be used to detect the status of a specified video endpoint. Pre-defined rules can be configured so that a call that is not completed for any reason can be transferred to another destination such as a video mail service or an automated or live operator service. This patent expires January 14, 2030.
- U.S. Patent No. 8,933,983 was awarded in January 2015 for our Intelligent Call Management and Redirection systems and methods. This new patent relates to a method for routing packet-based network video calls using an Intelligent Call Policy Management (“ICPM”) system that can detect the status of a specified video endpoint and refuse to connect a video call based on the video endpoint’s status. This patent expires October 11, 2025.

## **Research and Development**

Glowpoint incurred research and development expenses of \$1,019,000 in 2014 and \$662,000 in 2013 related to the development of new service offerings and features and enhancements to our existing services.

## **Employees**

As of December 31, 2014, we had approximately 126 employees. Of these employees, 78 are involved in customer support and operations, 18 in sales and marketing, 16 in corporate functions and 14 in engineering and development. None of our employees are represented by a labor union. We believe that our employee relations are good.

## **Available Information**

We are subject to the reporting requirements of the Exchange Act. The Exchange Act requires us to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). Copies of these periodic reports, proxy statements and other information can be read and copied on official business days during the hours of 10 a.m. to 3 p.m. at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information that we file electronically with the SEC.

In addition, we make available, free of charge, on our Internet website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d)

of the Exchange Act as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC. You may review these documents on our website at [www.glowpoint.com](http://www.glowpoint.com). Our website and the information contained on or connected to our website is not incorporated by reference herein, and our web address is included as an inactive textual reference only.

## Item 1A. Risk Factors

Glowpoint's business faces numerous risks, including those set forth below or those described elsewhere in this Report or in our other filings with the SEC. The risks described below are not the only risks that we face, nor are they necessarily listed in order of significance. Other risks and uncertainties may also affect our business. Any of these risks may have a material adverse effect on Glowpoint's business, financial condition, results of operations and cash flow. When making an investment decision with respect to our common stock, you should also refer to the other information contained or incorporated by reference in this Report, including our consolidated financial statements and the related notes.

### Risks Related to Our Business

***Our business activities may require additional financing that might not be obtainable on acceptable terms, if at all, which could have a material adverse effect on our financial condition, liquidity and our ability to operate going forward.***

Although there can be no assurance, our management believes that based on our current projections, the Company has sufficient capital resources to finance our operational requirements through at least the next twelve months following the filing of this Report with the SEC. Our capital requirements continue to depend on numerous factors, including the timing and amount of revenue, the expense to deliver our services, capital improvements and the cost involved in protecting our proprietary rights. If we are unable to increase our revenue or achieve profitability, or if unforeseen events occur that would require additional funding, we may need to raise capital or incur additional debt to fund our operations. We would expect to seek such capital through sales of additional equity or debt securities and/or loans from financial institutions, but there can be no assurance that funds will be available to us on acceptable terms, if at all, and any sales of such securities may be dilutive to investors. Failure to obtain financing or obtaining financing on unfavorable terms could result in a decrease in our stock price and could have a material adverse effect on future operating prospects, or require us to significantly reduce operations.

***We may not be able to generate sufficient cash to service all of our indebtedness and our other ongoing liquidity needs, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments on or to refinance our indebtedness obligations and to fund our planned capital expenditures, acquisitions and other ongoing liquidity needs depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors some of which are beyond our control. There can be no assurance that we will maintain a level of cash flow from operating activities or that future borrowings will be available to us under our loan agreements or otherwise in an amount sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our loan agreements restrict our ability to dispose of assets and use the proceeds from the disposition. Accordingly, we may not be able to consummate those dispositions or to obtain any proceeds on terms acceptable to us or at all, and any such proceeds may not be adequate to meet any debt service obligations then due.

***We may fail to comply with covenants contained in our agreements with our lenders.***

Our loan agreement with our senior lender, which was recently amended in February 2015, contains various covenants that limit our ability to engage in specific types of transactions, including covenants that limit our ability to:

- incur or guarantee additional debt;
- incur or assume certain liens;
- make certain loans, advances or investments;
- pay dividends;
- make certain acquisitions or dispositions;
- make certain capital expenditures;
- prepay subordinated debt;
- issue certain equity securities;

- enter into transactions with affiliates;  
and
- make certain increases in management compensation.

In addition, we are required to comply with certain financial covenants, including a fixed charge coverage ratio covenant and a debt to Adjusted EBITDA ratio covenant, that are tested on a quarterly basis. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under Item 7 of this Report for a description of Adjusted EBITDA.

If the Company were to violate any of its covenants under its senior loan agreement or its other debt arrangements, any such violations could cause an acceleration of the indebtedness under such loan agreements. In the event that our lenders accelerate the repayment of the indebtedness under any loan agreement, we may not have sufficient assets to repay the indebtedness.

We have refinanced our indebtedness in the past but there is no assurance we will be able to refinance all or any portion of our indebtedness in the future. If we were unable to repay or otherwise refinance the indebtedness under the loan agreements upon acceleration or when otherwise due, our lenders could proceed against the collateral granted to them to secure our obligations under the loan agreements, which could force us into bankruptcy or liquidation.

***We have a history of substantial net losses and we may incur future net losses.***

While we generated net income for fiscal years 2012 and 2011, we reported a substantial loss from operations in fiscal years 2014 and 2013 and in each fiscal year from our inception in 2000 through 2010. We cannot assure you that we will achieve revenue growth or profitability or generate positive cash flow on a quarterly or annual basis in the future. If we do not achieve profitability in the future, the value of our common stock may be adversely impacted and we could have difficulty obtaining capital to continue our operations.

***Our success is highly dependent on the evolution of our overall market and on general economic conditions.***

The market for video communication services is evolving rapidly. Although certain industry analysts project significant growth for this market, their projections may not be realized. Our future growth depends on acceptance and adoption of video communications. There can be no assurance that the market for our services will grow, that our services will be adopted or that businesses will purchase our suite of managed video services. If we are unable to react quickly to changes in the market, if the market fails to develop or develops more slowly than expected, or if our services do not achieve market acceptance, then we are unlikely to achieve profitability. Additionally, current economic conditions may cause a decline in business and consumer spending which could adversely affect our business and financial performance.

***We rely on a limited number of customers for a significant portion of our revenue, and the loss of any one of those customers, or several of our smaller customers, could materially harm our business.***

A significant portion of our revenue is generated from a limited number of customers. For the year ended December 31, 2014, Our largest customer, a channel partner, represented a total of approximately 11% of our revenue for the fiscal year ended December 31, 2014, and 7% of our outstanding accounts receivable at December 31, 2014. This customer has notified the Company that it intends to terminate the services provided by the Company on or before June 30, 2015. With the expected eventual loss of this customer and the discontinuation of services provided to certain other customers, the composition of our significant customers will vary from period to period, we expect that most of our revenue will continue, for the foreseeable future, to come from a relatively small number of customers. Consequently, our financial results may fluctuate significantly from period-to-period based on the actions of one or more significant customers. A customer may take actions that affect us for reasons that we cannot anticipate or control, such as reasons related to the customer’s financial condition, changes in the customer’s business strategy or operations, changes in technology and the introduction of alternative competing products, or as the result of the perceived quality or cost-effectiveness of our products. Our agreements with these customers may be canceled if we materially breach the agreement or for other reasons outside of our control such as insolvency or financial hardship that may result in a customer filing for chapter 11 bankruptcy court protection against unsecured creditors. In addition, our customers may seek to renegotiate the terms of current agreements or renewals. The loss of or a reduction in sales or anticipated sales to our most significant or several of our smaller customers could have a material adverse effect on our business, financial condition and results of operations.

***We operate in a highly competitive market and many of our competitors have greater financial resources and established relationships with major corporate customers.***

The video communications industry is highly competitive and includes large, well-financed participants. With respect to our video collaboration services, we primarily compete with managed services companies and videoconferencing equipment resellers and audio/visual integrators, including Citrix, York Telecom, Providea, BCS Global and AVI-SPL. Additionally, the market has

attracted start-up and venture capital-backed companies that offer hosted videoconference bridging solutions, including Blue Jeans Networks. With respect to our network services, we primarily compete with telecommunications carriers, including British Telecom/BT Conferencing, AT&T, Verizon and Telus. Many of these organizations have substantially greater financial and other resources than us, furnish some of the same services provided by us, and have established relationships with major corporate customers that have policies of purchasing directly from them. We believe that as the demand for video communications systems continues to increase, additional competitors, many of which may have greater resources than us, will continue to enter the video communications market.

***There is limited market awareness of Glowpoint's services.***

Our future success will be dependent in significant part on our ability to generate demand for our video collaboration services. To this end, our direct marketing and indirect sales operations must increase market awareness of our service offerings to generate increased revenue. Our products and services require a sophisticated sales effort targeted at the senior management of our prospective customers. All new hires will require training and take time to achieve full productivity. We cannot be certain that our new hires will become as productive as necessary or that we will be able to hire enough qualified individuals or retain existing employees in the future. We cannot be certain that we will be successful in our efforts to market and sell our products and services, and if we are not successful in building market awareness and generating increased sales, future results of operations will be adversely affected.

***As we expand our managed services offerings, any system failures or interruptions may cause loss of customers.***

Our success depends, in part, on the seamless, uninterrupted operation of our managed service offerings. As we continue to expand these services, and as the complexity and volume continue to increase, we will face increasing demands and challenges in managing them. Any prolonged failure of these services or other systems or hardware that cause significant interruptions to our operations could seriously damage our reputation and result in customer attrition and financial loss.

***We depend upon our network providers and facilities infrastructure.***

Our success depends upon our ability to implement, expand and adapt our network infrastructure and support services to accommodate an increasing amount of video traffic and evolving customer requirements at an acceptable cost. This has required and will continue to require that we enter into agreements with providers of infrastructure capacity, equipment, facilities and support services on an ongoing basis. We cannot ensure that any of these agreements can be obtained on satisfactory terms and conditions. We also anticipate that future expansions and adaptations of our network infrastructure facilities may be necessary in order to respond to growth in the number of customers served.

***Our network could fail, which could negatively impact our revenues.***

To an extent, our success depends upon our ability to deliver reliable, high-speed access to our channels' and customers' data centers and upon the ability and willingness of our telecommunications providers to deliver reliable, high-speed telecommunications service through their networks. Our network and facilities, and other networks and facilities providing services to us, are vulnerable to damage, unauthorized accessor cessation of operations from human error and tampering, breaches of security, fires, earthquakes, severe storms, power losses, telecommunications failures, software defects, intentional acts of vandalism including computer viruses, and similar events. The occurrence of a natural disaster or other unanticipated problems at the network operations center, key sites at which we locate routers, switches and other computer equipment that make up the backbone of our service offering and hosted infrastructure, or at one or more of our partners' data centers, could substantially and adversely impact our business. We cannot ensure that we will not experience failures or shutdowns relating to individual facilities or even catastrophic failure of the entire network or hosted infrastructure. Any damage to, or failure of, our systems or service providers could result in reductions in, or terminations of, services supplied to our customers, which could have a material adverse effect on our business and results of operations.

***Our network depends upon telecommunications carriers who could limit or deny us access to their network or fail to perform, which would have a material adverse effect on our business.***

We rely upon the ability and willingness of certain telecommunications carriers and other corporations to provide us with reliable high-speed telecommunications service through their networks. If these telecommunications carriers and other corporations decide not to continue to provide service to us through their networks on substantially the same terms and conditions (including, without limitation, price, early termination liability, and installation interval), if at all, it would have a material adverse effect on our business, financial condition and results of operations. Additionally, many of our service level objectives are dependent upon

satisfactory performance by our telecommunications carriers. If they fail to so perform, it may have a material adverse effect on our business.

***Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.***

In the ordinary course of providing video communications services, we transmit sensitive and proprietary information of our customers. We are dependent on the proper function, availability and security of our information systems, including without limitation those systems utilized in our operations. We have undertaken measures to protect the safety and security of our information systems and the data maintained within those systems, and on an annual basis, we test the adequacy of our security measures. As part of our efforts, we may be required to expend significant capital to protect against the threat of security breaches or to alleviate problems caused by breaches, including unauthorized access to proprietary customer data stored in our information systems and the introduction of computer malware to our systems. However, there can be no assurance our safety and security measures will detect and prevent security breaches in a timely manner or otherwise prevent damage or interruption of our systems and operations. We may be vulnerable to losses associated with the improper functioning, security breach or unavailability of our information systems. We may be held liable to our affiliates and customers, which could result in reputational damage, litigation, or negative publicity.

***We may experience material disconnections and/or reductions in the prices of our services and may not be able to replace the loss of revenues.***

Historically, we have experienced both significant disconnections of services and also reductions in the prices of our services. In order to realize anticipated revenues and cash flows, we endeavor to obtain long-term commitments from new customers, as well as expand our relationships with current customers. The disconnection of services by our significant customers or by several of our smaller customers could have a material adverse effect on our business, financial condition and results of operations. Service contract durations and termination liabilities are defined within the terms and conditions of our agreements with our customers. Termination of services in our existing agreements require a minimum of 30 days' notice and are subject to early termination penalties equal to the amount of accrued and unpaid charges including the remaining term length multiplied by any fixed monthly fees. The standard form of service agreement with Glowpoint includes an auto-renewal clause at the end of each term if the customer does not choose to terminate service at that time. Certain customers and partners negotiate master agreements with custom termination liabilities that differ from our standard form of service agreement.

***We may be unable to adequately respond to rapid changes in technology.***

The market for our video collaboration services is characterized by rapidly changing technology, evolving industry standards and frequent product introductions. The introduction of products and services embodying new technology and the emergence of new industry standards may render our existing managed video services obsolete and unmarketable if we are unable to adapt to change. A significant factor in our ability to grow and to remain competitive is our ability to successfully introduce new products and services that embody new technology, anticipate and incorporate evolving industry standards and achieve levels of functionality and price acceptable to the market. If our managed video services are unable to meet expectations or unable to keep pace with technological changes in the video communication industry, our managed video services could eventually become obsolete. We may be unable to allocate the funds necessary to upgrade our managed video services as improvements in video communication technologies are introduced. In the event that other companies develop more advanced service offerings, our competitive position relative to such companies would be harmed.

***Our failure to obtain or maintain the right to use certain intellectual property may negatively affect our business.***

Our future success and competitive position depends in part upon our ability to obtain and maintain certain proprietary intellectual property to be used in connection with our services. While we are not currently engaged in any intellectual property litigation, we could become subject to lawsuits in which it is alleged that we have infringed the intellectual property rights of others or we could commence lawsuits against others who we believe are infringing upon our rights. Our involvement in intellectual property litigation could result in significant expense to us, adversely affecting the development of sales of the challenged product and diverting the efforts of our technical and management personnel, whether or not such litigation is resolved in our favor.

In the event of an adverse outcome as a defendant in any such litigation, we may, among other things, be required to: pay substantial damages; cease the development, use or sale of services that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue the use or incorporation of infringing technology; or obtain licenses to the infringing intellectual property. We cannot ensure that we would be successful in such

development or acquisition or that such licenses would be available upon reasonable terms. Any such development, acquisition or license could require the expenditure of substantial time and other resources and could have a negative effect on our business and financial results.

An adverse outcome as plaintiff, in addition to the costs involved, may, among other things, result in the loss of the intellectual property (such as a patent) that was the subject of the lawsuit by a determination of invalidity or unenforceability, significantly increase competition as a result of such determination, and require the payment of penalties resulting from counterclaims by the defendant.

***We may not be able to protect the rights to our intellectual property.***

Failure to protect our existing intellectual property rights may result in the loss of our exclusivity or the right to use our technologies. If we do not adequately ensure our freedom to use certain technology, we may have to pay others for rights to use their intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. We rely on patent, trade secret, trademark and copyright law to protect our intellectual property. Some of our intellectual property is not covered by any patent or patent application. As we further develop our services and related intellectual property, we expect to seek additional patent protection. Our patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. Accordingly, we cannot assure you that: any of the patents owned by us or other patents that other parties license to us in the future will not be invalidated, circumvented, challenged, rendered unenforceable or licensed to others; any of our pending or future patent applications will be issued with the breadth of claim coverage sought by us, if issued at all; or any patents owned by or licensed to us, although valid, will not be dominated by a patent or patents to others having broader claims. Additionally, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not applied for in certain foreign countries.

We also seek to protect our proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements. We cannot ensure that these agreements will not be breached, that we will have adequate remedies for any breach or that such persons will not assert rights to intellectual property arising out of these relationships.

***We are exposed to the credit and other counterparty risk of our customers in the ordinary course of our business.***

Our customers have varying degrees of creditworthiness and we may not always be able to fully anticipate or detect deterioration in their creditworthiness and overall financial condition, which could expose us to an increased risk of nonpayment under our contracts with them. In the event that a material customer or customers default on their payment obligations to us, discontinue buying services from us or use their buying power with us to reduce our revenue, this could materially adversely affect our financial condition, results of operations or cash flows.

***Our future plans could be adversely affected if we are unable to attract or retain key personnel.***

We have attracted a highly skilled management team and specialized workforce. Our future success is dependent in part on attracting and retaining qualified management and technical personnel. Our inability to hire qualified personnel on a timely basis, or the departure of key employees (including Peter Holst, our President and CEO) could materially and adversely affect our business development and therefore, our business, prospects, results of operations and financial condition.

***If our actual liability for sales and use taxes and regulatory fees is different from our accrued liability, it could have a material impact on our financial condition.***

Each state has different rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. We review these rules and regulations periodically and, when we believe our services are subject to sales and use taxes in a particular state, voluntarily engage state tax authorities in order to determine how to comply with their rules and regulations. Vendors of services, like us, are typically held responsible by taxing authorities for the collection and payment of any applicable sales and similar taxes. If one or more taxing authorities determines that taxes should have, but have not, been paid with respect to our services, we may be liable for past taxes in addition to taxes going forward. Liability for past taxes may also include very substantial interest and penalty charges. Our client contracts provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes. If we are required to collect and pay back taxes and the associated interest and penalties, and if our clients fail or refuse to reimburse us for all or a portion of these amounts, we will have incurred unplanned expenses that may be substantial. Moreover, imposition of such taxes on our services going forward will effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the areas in which such taxes are imposed. We may also become subject to tax audits or similar procedures in states where we already pay

sales and use taxes. The assessment of taxes, interest, and penalties as a result of audits, litigation, or otherwise could be materially adverse to our current and future results of operations and financial condition.

***If we are unable to integrate acquired businesses into ours effectively, our operating results may be adversely affected.***

We plan to seek acquisition opportunities in the future that complement and expand our current business. We may not be able to successfully integrate acquired businesses and, where desired, their service portfolios, into ours, and therefore we may not be able to realize the intended benefits from an acquisition. If we fail to successfully integrate acquisitions, or service portfolios, or if they fail to perform as we anticipate, our existing businesses and our revenue and operating results could be adversely affected. If the due diligence of the operations of acquired businesses performed by us and by third parties on our behalf is inadequate or flawed, or if we later discover unforeseen financial or business liabilities, acquired businesses and their assets may not perform as expected. Additionally, acquisitions could result in difficulties assimilating acquired operations and, where deemed desirable, transitioning overlapping services to be a single service offering and the diversion of capital and management's attention away from other business issues and opportunities. We may fail to retain employees acquired through acquisitions, which may negatively impact the integration efforts. For all the reasons set forth above, the failure to integrate acquired businesses effectively may adversely impact our business, financial condition and results of operations.

***We depend upon suppliers and have limited sources for some services.***

We rely on other companies to supply some components of our network infrastructure and the means to access our network. Certain products and services that we resell and certain components that we require for our network are available only from limited sources. We could be adversely affected if such sources were to become unavailable to us on commercially reasonable terms. We cannot ensure that, on an ongoing basis, we will be able to obtain third-party services cost-effectively and on the scale and within the time frames that we require, if at all. Failure to obtain or to continue to make use of such third-party services would have a material adverse effect on our business, financial condition and results of operations.

***Our failure to properly manage the distribution of our services could result in a loss of revenues.***

We currently sell our services both directly to customers and through channel partners. Successfully managing the interaction of our direct and indirect sales channels to reach various potential customers for our services is a complex process. Each sales channel has distinct risks and costs, and therefore, our failure to implement the most advantageous balance in the sales model for our services could adversely affect our revenue and profitability.

***We incur significant accounting and administrative costs as a publicly traded corporation that impact our financial condition.***

As a publicly traded corporation, we incur certain costs to comply with regulatory requirements. If regulatory requirements were to become more stringent or if controls thought to be effective later fail, we may be forced to make additional expenditures, the amounts of which could be material. Some of our competitors are privately owned so their comparatively lower accounting and administrative costs can be a competitive disadvantage for us. Should our sales decline or if we are unsuccessful at increasing prices to cover higher expenditures for internal controls and audits, our costs associated with regulatory compliance will rise as a percentage of sales.

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders may not be confident in our financial reporting, which could adversely affect the price of our stock and harm our business.***

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we are required to include in our annual report on Form 10-K our assessment of the effectiveness of our internal controls over financial reporting. Although we believe that we currently have adequate internal control procedures in place, we cannot be certain that our internal controls over financial reporting will remain effective. If we cannot adequately maintain the effectiveness of our internal controls over financial reporting, we may be subject to liability and/or sanctions or investigation by regulatory authorities, such as the SEC. Any such action could adversely affect our financial results and the market price of our common stock.

## **Risks Relating To Our Securities**

***Our common stock is thinly traded and subject to volatile price fluctuations.***

Our common stock is thinly traded, and it is therefore susceptible to wide price swings. Our common stock is traded on the NYSE MKT under the symbol "GLOW." Thinly traded stocks are more susceptible to significant and sudden price changes and

the liquidity of our common stock depends upon the presence in the marketplace of willing buyers and sellers. We cannot ensure that you will be able to find a buyer for your shares. We cannot ensure that an organized public market for our securities will develop or that there will be any private demand for our common stock. We could also fail to satisfy the standards for continued exchange listing, such as standards having to do with a minimum share price, the minimum number of public shareholders or the aggregate market value of publicly held shares. Any holder of our securities should regard them as a long-term investment and should be prepared to bear the economic risk of an investment in our securities for an indefinite period.

***Penny stock regulations may impose certain restrictions on the marketability of our securities.***

The SEC has adopted regulations which generally define “penny stock” to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. Our common stock is presently subject to these regulations which impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with net worth in excess of \$1,000,000 or annual income exceeding \$200,000, or \$300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser’s written consent to the transaction prior to the purchase. Additionally, for any transaction involving a “penny stock,” unless exempt, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the “penny stock” market. The broker-dealer must also disclose the commission payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market maker, the broker-dealer must disclose this fact and the broker-dealer’s presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the “penny stock” held in the account and information on the limited market in “penny stocks.” Consequently, the “penny stock” rules may restrict the ability of broker-dealers to sell our securities and may negatively affect the ability of purchasers of our shares of common stock to sell such securities.

***Future operating results may vary from quarter to quarter, and we may fail to meet the expectations of securities analysts and investors at any given time.***

We have experienced, and may continue to experience, significant quarterly fluctuations in operating results. Factors that cause fluctuation in our results of operations include growth or lack of growth in revenues and our ability to control expenses relative to our revenues. Accordingly, it is possible that in one or more future quarters our operating results will be adversely affected and fall below the expectations of securities analysts and investors. If this happens, the trading price of our common stock may decline.

***Sales of substantial amounts of common stock in the public market could reduce the market price of our common stock and make it more difficult for us and our stockholders to sell our equity securities in the future.***

Resale into the public market of a significant number of shares issued in prior financings could depress the trading price of our common stock and make it more difficult for our stockholders to sell equity securities in the future. In addition, to the extent other restricted shares become freely available for sale, whether through an effective registration statement or under Rule 144 of the Securities Act, or if we issue additional shares that might be or become freely available for sale, our stock price could decrease.

On September 16, 2014, the Company entered into an At Market Issuance Sales Agreement, with MLV & Co. LLC (“MLV”), under which the Company may, at its discretion, sell its common stock with a sales value of up to a maximum of \$8,000,000 through at-the-market sales on the NYSE MKT (the “ATM Offering”). The common stock is being sold at market prices at the time of the sale, and, as a result, prices may vary. Through December 31, 2014, the Company sold 325,000 shares in the ATM Offering at a weighted-average selling price of \$1.28 per share.

Although the sale of shares in the ATM Offering or other additional shares to the public might increase the liquidity of our stockholders’ investments, the increase in the number of shares available for public sale could drive the price of our common stock down, thus reducing the value of your investment and perhaps hindering our ability to raise additional funds in the future.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

Our headquarters are located at 1776 Lincoln Street, Suite 1300, in Denver, Colorado 80203. These premises consist of approximately 9,500 square feet of leased office space for which base rent is approximately \$212,000 per year. In addition to our

headquarters, we lease facilities in Oxnard, California that house our bridging services group, help desk and technical personnel in approximately 3,400 square feet, the base rent of which is approximately \$80,000 per year.

For the year ended December 31, 2014 and through February 2015, the Company leased office space in New Jersey on a month-to-month basis. Effective March 1, 2015, the Company terminated this lease and no longer leases office space in New Jersey.

**Item 3. Legal Proceedings**

None.

**Item 4. Mine Safety Disclosures**

Not Applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Glowpoint's securities trade on the NYSE MKT under the symbol "GLOW."

The following table sets forth high and low closing sale prices per share for our common stock for each quarter of 2013 and 2014, based upon information obtained from the NYSE MKT. All reported sales prices reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

	Glowpoint Common Stock	
	High	Low
Year Ended December 31, 2013		
First Quarter	\$ 2.02	\$ 1.43
Second Quarter	1.42	0.68
Third Quarter	1.71	0.73
Fourth Quarter	1.52	1.30
Year Ended December 31, 2014		
First Quarter	\$ 1.92	\$ 1.31
Second Quarter	1.78	1.35
Third Quarter	1.59	1.27
Fourth Quarter	1.32	1.08

On March 2, 2015, the closing sale price of our common stock was \$0.98 per share as reported on the NYSE MKT, and 35,773,357 shares of our common stock were held by approximately 132 holders of record. American Stock Transfer & Trust Company, LLC of Brooklyn, New York is the transfer agent and registrar of our common stock.

#### Dividends

Our board of directors has never declared or paid any cash dividends on our common stock and does not expect to do so for the foreseeable future. We currently intend to retain any earnings to finance the growth and development of our business. Our board of directors will make any future determination of the payment of dividends based upon conditions then existing, including our earnings, financial condition and capital requirements, as well as such economic and other conditions as our board of directors may deem relevant. In addition, the payment of cash dividends is subject to limited exceptions, prohibited by our existing loan agreement with Main Street Capital Corporation and may be materially limited by financing arrangements which we may enter into in the future.

#### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth as of December 31, 2014 information regarding our common stock that may be issued under the Company's equity compensation plans:

#### Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Securities Reflecting in Column (a)) (c)
Equity compensation plans approved by security holders	1,350,491	\$ 2.02	4,400,000
Equity compensation plans not approved by security holders	—	\$ —	—
<b>Total</b>	<b>1,350,491</b>	<b>\$ 2.02</b>	<b>4,400,000</b>

#### Recent Sales of Unregistered Securities

None.

#### Purchases of Equity Securities by Glowpoint and Affiliated Purchasers

There were no purchases of any of the Company's equity securities by Glowpoint or any affiliated purchaser during the fourth quarter of 2014.

#### Item 6. Selected Financial Data

A smaller reporting company is not required to provide the information required by this Item.

#### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated balance sheets as of December 31, 2014 and 2013 and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended December 31, 2014 and 2013 and the related notes attached hereto. All statements contained herein that are not historical facts, including, but not limited to, statements regarding anticipated future capital requirements, our future development plans, our ability to obtain debt, equity or other financing, and our ability to generate cash from operations, are based on current expectations. The discussion of results, causes and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future.

#### Business

Glowpoint, Inc. ("Glowpoint" or "we" or "us" or the "Company") is a provider of video collaboration services and network solutions. Our services enable our customers to use videoconferencing as an efficient and effective method of communication for their business meetings. Our customers include Fortune 1000 companies, along with small and medium enterprises in a variety of industries. We market our services globally through a multi-channel sales approach that includes direct sales and channel partners.

During 2014, we experienced a 4% decline in total revenue as compared to 2013, as discussed further below. Our business and revenue trends are affected by the current dynamic and competitive environment for video communications and network services.

Our primary corporate objectives in 2015 are as follows:

- focus our sales and marketing efforts on growing awareness and adoption of our next-generation video collaboration solutions, including JoinMyVideo and our Hybrid Videoconferencing service;
- expanding our global distribution through a select group of channel partners, in order to further our reach and accelerate customer awareness and adoption of our services;

- continue to invest in key elements of our service platform to better meet the needs of our existing and new customers; and
- identify and complete acquisitions that complement and expand our current business while leveraging our new service delivery platform.

## Results of Operations

### Year Ended December 31, 2014 (“2014”) versus Year Ended December 31, 2013 (“2013”)

*Revenue.* Total revenue decreased \$1,298,000 (or 4%) in 2014 to \$32,156,000 from \$33,454,000 in 2013. This decrease is mainly attributable to: (i) a decrease of \$721,000 in video collaboration services, (ii) a decrease of \$529,000 in professional and other services, and (iii) a decrease of \$48,000 in network services.

	Year Ended December 31, (in thousands)			
	2014	% of Revenue	2013	% of Revenue
Revenue				
Video collaboration services	\$ 18,891	59%	\$ 19,612	59%
Network services	12,000	37%	12,048	36%
Professional and other services	1,265	4%	1,794	5%
Total revenue	\$ 32,156	100%	\$ 33,454	100%

The following are the changes in the components of our reported revenue from 2013 to 2014:

- Revenue for video collaboration services decreased \$721,000 (or 4%) to \$18,891,000 in 2014, from \$19,612,000 in 2013. This decrease is mainly attributable to lower revenue for managed videoconferencing services due to net attrition of customers. We expect net attrition of customers for our video collaboration services may continue in 2015 given the following: (i) the current dynamic and competitive environment for video communications, (ii) the expected loss in 2015 of our largest customer as discussed above under the heading “Customers”, and (iii) the transition of customers from our “legacy” service offerings to our new service offerings as discussed above under the headings “Our Services” and “Market Need”.
- Revenue for network services decreased \$48,000 (or less than 1%) to \$12,000,000 in 2014 from \$12,048,000 in 2013. We generated increased revenue from sales of converged (data and video) network solutions to certain customers in 2014 which was offset by generally lower demand and loss of revenue from our legacy network services. We expect that future network services revenue may be negatively affected by potential customer attrition given the competitive environment and pressure on pricing that currently exists in the network services business.
- Revenue for professional and other services decreased \$529,000 (or 29%) to \$1,265,000 in 2014 from \$1,794,000 in 2013. This decrease is mainly attributable to lower equipment sales and a decline in professional support services. We expect revenue for professional and other services to decline in 2015 as we view these services as non-core to our business and we remained focused on growing sales in video collaboration and network services.

*Cost of revenue (exclusive of depreciation and amortization)* Cost of revenue, exclusive of depreciation and amortization, includes all internal and external costs related to the delivery of revenue. Cost of revenue also includes the cost for taxes which have been billed to customers. Cost of revenue decreased to \$18,294,000 in 2014 from \$19,504,000 in 2013. Cost of revenue, as a percentage of total revenue, was 57% and 58% for 2014 and 2013, respectively. The \$1,210,000 decrease in cost of revenue from 2013 to 2014 is mainly attributable to: (i) the corresponding decrease in revenue from 2013 to 2014 and (ii) a 1% improvement in our cost of revenue as a percentage of total revenue for 2014 as compared to 2013. The improvement in our cost of revenue as a percentage of revenue is mainly the result of reduced external costs to deliver revenue related to videoconference meeting suites and lower infrastructure and overhead costs.

*Research and Development.* Research and development expenses include internal and external costs related to the development of new service offerings and features and enhancements to our existing services. Research and development increased \$357,000 to \$1,019,000 in 2014 from \$662,000 in 2013, mainly attributable to an increase in personnel costs due to higher headcount.

*Sales and Marketing.* Sales and marketing expenses decreased \$505,000 to \$3,307,000 in 2014 from \$3,812,000 in 2013. This decrease is mainly attributable to lower personnel costs and lower third-party marketing expenditures.

*General and Administrative.* General and administrative expenses include direct corporate expenses related to costs of personnel in the various corporate support categories, including executive, legal, finance, human resources and information technology. General and administrative expenses decreased \$1,735,000 to \$5,643,000 in 2014 from \$7,378,000 in 2013. This decrease is mainly attributable to the following: (i) a decrease in severance charges of \$676,000 as the employment of our former chief executive officer, chief financial officer, and general counsel was terminated in 2013, (ii) a decrease in stock-based compensation expense of \$603,000, and (iii) a decrease in costs related to the 2012 Affinity acquisition of \$259,000.

*Impairment Charges.* Impairment charges increased to \$1,662,000 to \$2,342,000 in 2014 from \$680,000 in 2013. This increase is mainly attributable to a \$1,696,000 impairment charge we recorded in 2014 related to the intangible assets recorded in connection with the acquisition of Affinity (see Note 5 to our consolidated financial statements for further discussion).

*Depreciation and Amortization.* Depreciation and amortization expenses decreased \$125,000 to \$2,735,000 in 2014 from \$2,860,000 in 2013. This decrease is mainly attributable to 2013 disposals of property and equipment than have no related depreciation expense in 2014.

*Loss from Operations.* Loss from operations decreased to \$1,184,000 in 2014 from \$1,442,000 in 2013. The decrease in our loss from operations is mainly attributable to a decrease in our operating expenses as discussed above, partially offset by a decrease in revenue.

*Interest and Other Expense, Net.* Interest and other expense, net in 2014 was \$1,432,000, comprised of: (i) \$1,343,000 of interest expense on our outstanding debt, net of interest income and (ii) \$89,000 of amortization of deferred financing costs related to our debt obligations. Interest and other expense, net in 2013 was \$2,799,000, comprised of: (i) \$1,199,000 of interest expense on outstanding debt, net of interest income, (ii) \$976,000 of amortization of deferred financing costs related to our debt obligations, (iii) \$727,000 of amortization of debt discount and (iv) other income of \$103,000 related to the reduction of the SRS Note. This decrease in interest and other expense, net is mainly attributable to the 2013 write off of unamortized deferred financing costs and the debt discount associated with our former debt obligations upon the closing of our debt refinancing in October 2013 (see Note 6 to our consolidated financial statements).

*Income Taxes.* For 2013, an income tax benefit of \$30,000 was recorded related to an income tax refund. For 2014, income tax expense of \$139,000 was recorded (see Note 18 to our consolidated financial statements).

*Net Loss.* Net Loss decreased to \$2,755,000 in 2014 from \$4,211,000 in 2013. The decrease in our net loss is mainly attributable to a decrease in our loss from operations of \$258,000, and a decrease in our interest and other expense, net of \$1,367,000, as discussed above.

## **Adjusted EBITDA**

Adjusted EBITDA ("AEBITDA"), a non-GAAP financial measure, is defined as net income (loss) before depreciation, amortization, taxes, severance, acquisition costs, stock-based compensation, impairment charges and interest and other expense, net. AEBITDA is not intended to replace operating income (loss), net income (loss), cash flow or other measures of financial performance reported in accordance with generally accepted accounting principles. Rather, AEBITDA is an important measure used by management to assess the operating performance of the Company and is used in the calculation of financial covenants in the Main Street Loan Agreement. AEBITDA as defined here may not be comparable to similarly titled measures reported by other companies due to differences in accounting policies. A reconciliation of AEBITDA to net loss is shown below:

	Year Ended December 31,		
	2014	2013	Increase (Decrease)
Net loss	\$ (2,755)	\$ (4,211)	\$ 1,456
Income tax expense (benefit)	139	(30)	169
Depreciation and amortization	2,735	2,860	(125)
Amortization of financing costs and debt discount	89	1,703	(1,614)
Interest and other expense, net	1,343	1,096	247
EBITDA	1,551	1,418	133
Stock-based compensation	600	1,203	(603)
Severance	184	860	(676)
Acquisition costs	—	259	(259)
Impairment charges	2,342	680	1,662
Adjusted EBITDA	\$ 4,677	\$ 4,420	\$ 257

### Liquidity and Capital Resources

As of December 31, 2014, we had \$1,938,000 of cash and working capital of \$2,515,000. Our cash balance as of December 31, 2014 includes restricted cash of \$185,000 (as discussed in Note 3 to our consolidated financial statements). For the years ended December 31, 2014 and 2013, we generated net losses of \$2,755,000 and \$4,211,000, respectively, and net cash provided by operating activities of \$1,785,000 and \$2,300,000, respectively. We generated cash flow from operations even though we incurred net losses as our net losses include certain non-cash expenses that are added back to our cash flow from operations as shown on our consolidated statements of cash flows.

In October 2013, we completed a refinancing of the Company's former debt obligations and entered into a new loan agreement by and among the Company and its subsidiaries, and Main Street Capital Corporation ("Main Street"), as lender and as administrative agent and collateral agent for itself and the other lenders from time to time party thereto (the "Main Street Loan Agreement"). The Main Street Loan Agreement provides for an \$11,000,000 senior secured term loan facility ("Main Street Term Loan") and a \$2,000,000 senior secured revolving loan facility (the "Main Street Revolver"). As of December 31, 2014, the Company had outstanding borrowings of \$9,000,000 under the Main Street Term Loan and \$400,000 on the Main Street Revolver. On February 27, 2015, the Company and Main Street entered into an amendment to the Main Street Loan Agreement to revise certain of the Company's financial covenants and ratio levels.

Borrowings under the Main Street Term Loan and Main Street Revolver mature on October 17, 2018 and October 17, 2015, respectively, unless sooner terminated as provided in the Main Street Loan Agreement. The Main Street Loan Agreement provides that the Main Street Term Loan borrowings bear interest at 12% per annum and the Main Street Revolver borrowings bear interest at 8% per annum. Interest payments on the outstanding borrowings under both the Main Street Term Loan and Main Street Revolver are due monthly. The Company is required to make quarterly principal payments on the Main Street Term Loan as follows: (i) through April 15, 2015 in an amount equal to 33% of Excess Cash Flow generated by the Company (as defined in the Main Street Loan Agreement and effectively equal to cash flow from operations less capital expenditures less principal payments on capital leases) during the trailing fiscal quarter and (ii) from August 15, 2015 to August 15, 2018 in an amount equal to 50% of Excess Cash Flow generated by the Company during the trailing fiscal quarter. In the event there are outstanding borrowings on the Main Street Revolver, any quarterly principal payments are first applied to the Main Street Revolver and then to the Main Street Term Loan. During 2014 and 2013, the Company made principal payments of \$149,000 and \$0 on the Main Street Revolver, respectively, and no principal payments on the Main Street Term Loan. During 2014 and 2013, the Company received advances on the Main Street Revolver of \$249,000 and \$300,000, respectively.

As of December 31, 2014, the current portion of long-term debt recorded on the Company's balance sheet was \$400,000 and represents the outstanding borrowings on the Main Street Revolver. The Company expects that any principal payments under the Main Street Loan Agreement, which are based on a percentage of Excess Cash Flow as discussed above, will be applied to outstanding borrowings on the Main Street Revolver during the twelve months ending December 31, 2015. Therefore, the Company expects that no principal payments will be applied against the Main Street Term Loan during 2015; and thus all outstanding borrowings on the Main Street Term Loan are classified as long term debt as of December 31, 2014. The principal payments related to these debt agreements are estimates and actual payments may vary.

In connection with the October 2012 acquisition of Affinity, the Company issued a promissory note (the "SRS Note") to Shareholder Representative Services LLC ("SRS"), on behalf of the prior stockholders of Affinity. As of December 31, 2014, the principal balance on the SRS Note was \$1,785,000. On February 27, 2015, the Company amended and restated the SRS Note. The amended SRS Note, (i) extended the maturity date from January 4, 2016 to July 6, 2017, (ii) increased the interest rate from 10% to 15% per annum effective March 1, 2015 and (iii) modified the interest payment due dates so that interest that accrues after March 1, 2015 is no longer payable on a quarterly basis but will accrue and be payable upon maturity unless certain trailing AEBITDA targets are met. The Company is required to make monthly principal payments in the amount of \$50,000 in the event the Company's trailing three month AEBITDA exceeds \$1,500,000. The Company is required to make additional payments on the principal amount over the remaining term of the SRS Note in an amount equal to 40% of the sum of the Company's trailing six month AEBITDA less \$3,000,000. As of December 31, 2014, the Company made two \$50,000 principal payments, totaling \$100,000, on the SRS Note based on achievement of the AEBITDA threshold.

On September 16, 2014, the Company entered into an At Market Issuance Sales Agreement, with MLV & Co. LLC ("MLV"), under which the Company may, at its discretion, sell its common stock with a sales value of up to a maximum of \$8,000,000 through at-the-market sales on the NYSE MKT (the "ATM Offering"). MLV acts as sole sales agent for any sales made in the ATM Offering for a 3% commission on gross proceeds. The common stock is being sold at market prices at the time of the sale, and, as a result, prices may vary. Through December 31, 2014, the Company sold 325,000 shares in the ATM Offering at a weighted-average selling price of \$1.28 per share for gross proceeds of \$416,000. Net proceeds totaled \$377,000, reflecting reductions for the 3% commission to MLV and other offering expenses.

Net cash used in investing activities for 2014 and 2013 was \$2,172,000 and \$900,000, respectively, primarily related to the purchase of property and equipment. For 2015, we plan to use approximately \$1,500,000 for capital expenditures; mainly related to strengthening our core infrastructure, networking equipment and systems to improve and automate the delivery of the Company's service offerings to our customers.

Net cash provided by financing activities for 2014 was \$31,000, attributable to \$377,000 of net proceeds from the ATM Offering, partially offset by (i) \$216,000 of principal payments on our capital lease obligations, (ii) purchase of restricted stock of \$66,000 on behalf of employees to satisfy minimum statutory tax withholding requirements, and (iii) payment of \$59,000 in debt issuance costs related to the Main Street Loan Agreement.

Net cash used in financing activities for 2013 was \$1,324,000, attributable to: (i) net proceeds of \$8,978,000 related to the proceeds from debt issuance to Main Street, less facility fees and expenses described above, (ii) repayment of former debt obligations and related fees and expenses totaling \$9,762,000, (iii) \$289,000 of transaction costs related to the exchange of Series B-1 preferred stock to common stock in 2013, and (iv) \$251,000 of principal payments on our capital lease obligations.

Based on our current projection of revenue, expenses, capital expenditures and cash flows, the Company believes that it has, and will have, sufficient resources and cash flows to service its debt obligations and fund its operations for at least the next twelve months following the filing of this Report. As of December 31, 2014, we have availability of \$1,600,000 under the Main Street Revolver and \$2,000,000 under the Main Street Term Loan (subject to approval by Main Street under the terms of the Main Street Loan Agreement). There can be no assurances, however, that we will be able to access the availability from the Main Street Revolver and/or Main Street Term Loan in the future. There also can be no assurance that we will be able to raise capital through the ATM Offering as may be needed or upon acceptable stock prices. In the event we need access to capital to fund operations and provide growth capital beyond the ATM Offering and our existing Main Street credit facility, we have historically been able to raise capital in private placements. If the current or future economic conditions negatively impact us and we are unable to raise additional capital that may be needed on terms acceptable to us, it could have a material adverse effect on the Company.

### **Critical Accounting Policies**

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Our significant accounting policies are described in Note 2 to our consolidated financial statements attached hereto. We believe the following critical accounting policies involve the most significant judgments and estimates used in the preparation of our consolidated financial statements.

*Revenue Recognition.* Revenue billed in advance for video collaboration services is deferred until the revenue has been earned, which is when the related services have been performed. Other service revenue, including amounts passed through based on surcharges from our telecom carriers, related to the network services and collaboration services are recognized as service is provided. As the non-refundable, upfront installation and activation fees charged to our customers do not meet the criteria as a separate unit of accounting, they are deferred and recognized over the 12 to 24 month period estimated life of the customer relationship. Revenue related to professional services is recognized at the time the services are performed, and presented as required

by ASC Topic 605 *“Revenue Recognition”*. Revenues derived from other sources are recognized when services are provided or events occur.

*Allowance for Doubtful Accounts.* We perform ongoing credit evaluations of our customers. We record an allowance for doubtful accounts based on specifically identified amounts that are believed to be uncollectible. We also record additional allowances based on our aged receivables, which are determined based on historical experience and an assessment of the general financial conditions affecting our customer base. If our actual collections experience changes, revisions to our allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. We do not obtain collateral from our customers to secure accounts receivable.

*Long-Lived Assets.* We evaluate impairment losses on long-lived assets used in operations, primarily fixed assets, when events and circumstances indicate that the carrying value of the assets might not be recoverable as required by ASC Topic 360 *“Property, Plant and Equipment.”* For purposes of evaluating the recoverability of long-lived assets, the undiscounted cash flows estimated to be generated by those assets are compared to the carrying amounts of those assets. If and when the carrying values of the assets exceed their fair values, then the related assets will be written down to fair value. During 2014 and 2013, the Company recorded impairment charges of \$145,000 and \$615,000, respectively, primarily consisting of furniture, network equipment, and leasehold improvements no longer being utilized in the Company’s business.

*Capitalized Software Costs.* The Company capitalizes certain costs incurred in connection with developing or obtaining internal-use software. All software development costs have been appropriately accounted for as required by ASC Topic 350-40 *“Intangible – Goodwill and Other – Internal-Use Software.”* Capitalized software costs are included in *“Property and Equipment”* on our consolidated balance sheets and are amortized over three to four years. Software costs that do not meet capitalization criteria are expensed as incurred. During 2014 and 2013, we recorded impairment charges of \$248,000 and \$65,000 respectively, for certain discrete projects that were abandoned.

*Goodwill.* Goodwill is not amortized but is subject to periodic testing for impairment in accordance with ASC Topic 350 *“Intangibles - Goodwill and Other - Testing Indefinite-Lived Intangible Assets for Impairment.”* We test for impairment on an annual basis or more frequently if events occur or circumstances change indicating that the fair value of the goodwill may be below its carrying amount. The performance of the impairment test involves a two-step process. The first step of the goodwill impairment test involves comparing the fair value of the reporting unit to the carrying value, including goodwill. The Company operates in a single reporting unit. We established November 30 as the date of our annual impairment test for goodwill. We determined the fair value of our reporting unit using a combination of a market-based approach using quoted market prices in active markets and the discounted cash flow (*“DCF”*) methodology. The DCF methodology requires us to make key assumptions such as projected future cash flows, growth rates, terminal value and a weighted average cost of capital. The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit’s goodwill with the carrying value of that goodwill. Based on the goodwill impairment test performed at November 30, 2014, the estimated fair value of the reporting unit significantly exceeded its carrying value, and therefore, the second step of the goodwill impairment test was not required. However, if market conditions deteriorate, or if the Company is unable to execute on its business plan, it may be necessary to record impairment charges in the future.

*Intangible Assets.* Intangible assets include customer relationships, affiliate network and trademarks recorded in connection with the acquisition of Affinity in October 2012. Intangible assets with finite lives are amortized using the straight-line method over the estimated economic lives of the assets, which range from five years to twelve years in accordance with ASC Topic 350 *“Intangibles - Goodwill and Other - Testing Indefinite-Lived Intangible Assets for Impairment.”* Long-lived assets, including intangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Fair value of our intangible assets is determined using the relief from royalty methodology. This approach involves two steps: (a) estimating reasonable royalty rates for each intangible asset and (b) applying these royalty rates to a net revenue stream and discounting the resulting cash flows to determine fair value. During the year ended December 31, 2014, the Company performed an impairment test of intangible assets and determined that an impairment charge of \$1,696,000 was required (see Note 5 to our consolidated financial statements for further discussion).

## **Inflation**

Management does not believe inflation had a significant effect on the consolidated financial statements for the periods presented.

## **Off-Balance Sheet Arrangements**

As of December 31, 2014 and 2013 we had no off-balance sheet arrangements.

## Recent Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for us on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In August 2014, FASB issued ASU No. 2014-15, “Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern”. ASU 2014-15 is intended to define management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management’s plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Management is currently evaluating the impact of the adoption of ASU 2014-14 on our financial statements and disclosures.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

## Item 8. Financial Statements and Supplementary Data

The information required by this Item 8 is incorporated by reference herein from Item 15, Part IV, of this Report.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### *Disclosure Controls and Procedures*

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2014. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2014, the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms and are designed to ensure that information required to be disclosed by the Company in the reports we file or submit under the Exchange Act is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated changes in internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2014 and have concluded that no change has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

### *Management’s Annual Report On Internal Control Over Financial Reporting*

The Company’s management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control system was

designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014 based on the 1992 framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on this evaluation, the Company's management concluded that our internal control over financial reporting was effective as of December 31, 2014.

## **Item 9B. Other Information**

### **Amendment to Main Street Loan Agreement**

On February 27, 2015, the Company and its subsidiaries, as borrowers, and Main Street, as lender and as administrative agent and collateral agent for itself and lender, entered into a First Amendment to Loan Agreement to, among other things, revise certain of the Company's financial covenants and ratio levels, including the Company's funded debt to EBITDA ratio and fixed charge coverage ratio.

The foregoing summary description of the First Amendment to Loan Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the First Amendment to Loan Agreement, a copy of which is attached hereto as Exhibit 10.26 and is incorporated herein by reference.

### **Amended SRS Note**

On February 27, 2015, the Company amended and restated the SRS Note. The Third Amended and Restated Nonnegotiable Promissory Note made in favor of Shareholder Representative Services LLC, in its capacity as the representative of the prior stockholders of Affinity amends and restates the Second Amended and Restated Nonnegotiable Promissory Note issued by the Company in favor of SRS on February 24, 2014. The amended SRS Note, (i) extended the maturity date from January 4, 2016 to July 6, 2017, (ii) increased the interest rate from 10% to 15% per annum effective March 1, 2015 and (iii) modified the interest payment due dates so that interest that accrues after March 1, 2015 is no longer payable on a quarterly basis but will accrue and be payable upon maturity unless certain trailing AEBITDA targets are met.

The foregoing summary description of the Third Amended and Restated Note does not purport to be complete and is qualified in its entirety by reference to the full text of the Third Amended and Restated Note, a copy of which is attached hereto as Exhibit 10.27 and is incorporated herein by reference.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

Our board of directors has adopted a code of ethics that applies to all of our directors, officers and employees, including our chief executive officer, chief financial officer and all of the finance team. The full text of our code of ethics can be found on the investors page of our website at [www.glowpoint.com](http://www.glowpoint.com). We intend to satisfy the disclosure requirement under Item 406(c) of Regulation S-K regarding an amendment to, or waiver from, a provision of our code of ethics by posting such information on our website at the address and the location specified above.

Glowpoint will file with the SEC a definitive proxy statement pursuant to Regulation 14A no later than 120 days after December 31, 2014. The information required by this Item will appear in that definitive proxy statement and is incorporated by reference herein.

### **Item 11. Executive Compensation**

Glowpoint will file with the SEC a definitive proxy statement pursuant to Regulation 14A no later than 120 days after December 31, 2014. The information required by this Item will appear in that definitive proxy statement and is incorporated by reference herein.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

Glowpoint will file with the SEC a definitive proxy statement pursuant to Regulation 14A no later than 120 days after December 31, 2014. The information required by this Item will appear in that definitive proxy statement and is incorporated by reference herein.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

Glowpoint will file with the SEC a definitive proxy statement pursuant to Regulation 14A no later than 120 days after December 31, 2014. The information required by this Item will appear in that definitive proxy statement and is incorporated by reference herein.

### **Item 14. Principal Accounting Fees and Services**

Glowpoint will file with the SEC a definitive proxy statement pursuant to Regulation 14A no later than 120 days after December 31, 2014. The information required by this Item will appear in that definitive proxy statement and is incorporated by reference herein.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

A. The following documents are filed as part of this Report:

1. Consolidated Financial Statements:

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	F 1
Consolidated Balance Sheets at December 31, 2014 and 2013	F 2
Consolidated Statements of Operations for the years ended December 31, 2014 and 2013	F 3
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2014 and 2013	F 4
Consolidated Statements of Cash Flows for the years ended December 31, 2014 and 2013	F 5
Notes to Consolidated Financial Statements	F 6

2. Financial Statement Schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.

3. Exhibits:

A list of exhibits required to be filed as part of this Report is set forth in the Exhibit Index on page [26](#) of this Form 10-K, which immediately precedes such exhibits, and is incorporated by reference.

## EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated August 12, 2012 (filed as Exhibit 2.1 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on August 13, 2012, and incorporated herein by reference).
3.1	Amended and Restated Certificate of Incorporation (filed as Appendix D to View Tech, Inc.'s Registration Statement on Form S-4 (File No. 333-95145) filed with the SEC on January 21, 2000, and incorporated herein by reference).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Wire One Technologies, Inc. changing its name to Glowpoint, Inc. (filed as Exhibit 3.2 to Registrant's Annual Report on Form 10-K filed with the SEC on March 30, 2004, and incorporated herein by reference).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Glowpoint, Inc. increasing its authorized common stock to 150,000,000 shares from 100,000,000 shares (filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 24, 2007, and incorporated herein by reference).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Glowpoint, Inc. effecting a one-for-four reverse stock split of the common stock of Glowpoint, Inc. (filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on January 13, 2011, and incorporated herein by reference).
3.5	Amended and Restated By-laws (filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on December 8, 2011, and incorporated herein by reference).
4.1	Specimen Common Stock Certificate (filed as Exhibit 4.1 to Registrant's Annual Report on Form 10-K filed with the SEC on June 6, 2007, and incorporated herein by reference).
4.2	Certificate of Designations, Preferences and Rights of Series D Preferred Stock (filed as Exhibit 4.6 to Registrant's Current Report on Form 8-K filed with the SEC on September 24, 2007, and incorporated herein by reference).
4.3	Certificate of Designations, Preferences and Rights of Series A-2 Preferred Stock of Glowpoint (filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K filed with the SEC on August 11, 2009, and incorporated herein by reference).
4.4	Certificate of Designations, Preferences and Rights of Perpetual Series B-1 Preferred Stock of Glowpoint (filed as Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on August 9, 2011, and incorporated herein by reference).
10.1#	Glowpoint, Inc. 2000 Stock Incentive Plan (filed as Exhibit 4.9 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2000, and incorporated herein by reference).
10.2#	Glowpoint, Inc. 2007 Stock Incentive Plan, as amended through June 1, 2011 (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on June 2, 2011, and incorporated herein by reference).
10.3#	Form of Stock Option Award Agreement (filed as Exhibit 99.1 to Registrant's Current Report on Form 8-K filed with the SEC on March 15, 2012, and incorporated herein by reference).
10.4#	Form of Restricted Stock Award Agreement (filed as Exhibit 99.2 to Registrant's Current Report on Form 8-K filed with the SEC on March 15, 2012, and incorporated herein by reference).
10.5#	Glowpoint, Inc. 2014 Equity Incentive Plan (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on June 2, 2014, and incorporated herein by reference).
10.6#*	Form of Performance-Vested Restricted Stock Unit Agreement (Executive Officers).
10.7#*	Form of Performance-Vested Restricted Stock Unit Agreement (Employees).
10.8#*	Form of Time-Vested Restricted Stock Unit Agreement (Executive Officers).
10.9#*	Form of Time-Vested Restricted Stock Unit Agreement (Employees).
10.10#*	Form of Director Restricted Stock Unit Agreement.
10.11#	Board of Directors Compensation Plan, as adopted on March 12, 2012 (filed as Exhibit 99.4 to Registrant's Current Report on Form 8-K filed with the SEC on March 15, 2012, and incorporated herein by reference).
10.12	Form of Series A-2 Preferred Exchange Agreement, dated March 29, 2010, between Glowpoint and the holders set forth therein (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2010, and incorporated herein by reference).

10.13	Form of Series A-2 Preferred Consent Agreement, dated March 29, 2010, between Glowpoint and the holders set forth therein (filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2010, and incorporated herein by reference).
10.14	Form of Series A-2 Preferred Exchange Agreement, dated September 30, 2010, between Glowpoint and the holders set forth therein (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on October 4, 2010, and incorporated herein by reference).
10.15	Form of Series A-2 Preferred Consent Agreement, dated September 30, 2010, between Glowpoint and the holders set forth therein (filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K filed with the SEC on October 4, 2010, and incorporated herein by reference).
10.16	Stockholders Agreement, by and among Glowpoint and holders of Series B-1 Preferred Stock, dated August 3, 2011 (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on August 9, 2011, and incorporated herein by reference).
10.17	Series B-1 Preferred Exchange Agreement, dated as of August 9, 2013, by and between Glowpoint, Inc. and GP Investment Holdings, LLC (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on August 13, 2013, and incorporated herein by reference).
10.18	Registration Rights Agreement, dated as of August 9, 2013, by and between Glowpoint, Inc. and GP Investment Holdings, LLC (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on August 13, 2013, and incorporated herein by reference).
10.19	Registration Rights Agreement between Glowpoint, Inc. and Shareholder Representative Services LLC, on behalf of the prior stockholders of Affinity VideoNet, Inc., dated as of October 1, 2012 (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on October 5, 2012, and incorporated herein by reference).
10.20#	Employment Agreement between Glowpoint, Inc. and Peter Holst, dated as of January 13, 2013 (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on January 17, 2013, and incorporated herein by reference).
10.21#	Employment Agreement between Glowpoint, Inc. and David Clark, dated as of March 25, 2013 (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on March 28, 2013, and incorporated herein by reference).
10.22#	Separation Agreement and General Release between Glowpoint, Inc. and Joseph Laezza, dated as of January 13, 2013 (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on January 17, 2013, and incorporated herein by reference).
10.23#	Separation Agreement and General Release between Glowpoint, Inc. and Alp Tolga Sakman, dated as of March 22, 2013 (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on March 28, 2013, and incorporated herein by reference).
10.24#	Separation Agreement between Glowpoint, Inc. and Steven B. Peri, dated as of September 13, 2013 (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 13, 2013, and incorporated herein by reference).
10.25	Loan Agreement, dated October 17, 2013, by and among Glowpoint, Inc. and its subsidiaries and Main Street Capital Corporation, as administrative agent and collateral agent for itself and the other lenders from time to time party thereto (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on October 23, 2013, and incorporated herein by reference).
10.26*	First Amendment to Loan Agreement, dated February 27, 2015, by and among Glowpoint, Inc. and its subsidiaries and Main Street Capital Corporation, as administrative agent and collateral agent for itself and the other lenders from time to time party thereto.
10.27*	Third Amended and Restated Nonnegotiable Promissory Note in favor of Shareholder Representative Services LLC, on behalf of the prior stockholders of Affinity VideoNet, Inc., dated as of February 27, 2015.
10.28	Letter Agreement, dated April 4, 2014, among Glowpoint, Inc., GP Investment Holdings, LLC, Main Street Capital Corporation, Brian Pessin, Sandra Pessin and Norman Pessin (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2014, and incorporated herein by reference).
10.29#	Form of Indemnification Agreement for directors and officers (filed as Exhibit 10.1 to Registrant's Form 8-K filed with the SEC on June 2, 2014, and incorporated herein by reference).
10.30	At Market Issuance Sales Agreement, dated as of September 16, 2014, between Glowpoint, Inc. and MLV & Co. LLC (filed as Exhibit 1.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 16, 2014, and incorporated herein by reference).
21.1*	Subsidiaries of Glowpoint, Inc.
23.1*	Consent of Independent Registered Public Accounting Firm-EisnerAmper LLP.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.
32.1*	Section 1350 Certification of the Chief Executive Officer and Chief Financial Officer.



101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

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# Constitutes a management contract, compensatory plan or arrangement.

\* Filed herewith.

\*\* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

## SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 5, 2015

### GLOWPOINT, INC.

By: /s/ Peter Holst  
Peter Holst  
Chief Executive Officer and President

### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Peter Holst and David Clark jointly and severally, his attorneys-in-fact, each with power of substitution, for him in any and all capacities, to sign any amendments to this Report on Form 10-K, and file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant as of this 5<sup>th</sup> day of March 2015 in the capacities indicated.

/s/ Peter Holst Chief Executive Officer, President and Director (Principal Executive Officer)  
Peter Holst

/s/ David Clark Chief Financial Officer (Principal Financial and Accounting Officer)  
David Clark

/s/ Patrick Lombardi Director and Chairman of the Board  
Patrick Lombardi

/s/ Kenneth Archer Director  
Kenneth Archer

/s/ James Cohen Director  
James Cohen

/s/ David Giangano Director  
David Giangano

/s/ James Lusk Director  
James Lusk

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders of  
Glowpoint, Inc.

We have audited the accompanying consolidated balance sheets of Glowpoint, Inc. and Subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2014. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Glowpoint, Inc. and Subsidiaries as of December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

/s/ EisnerAmper LLP

Iselin, New Jersey  
March 5, 2015

**GLOWPOINT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par value, stated value and shares)

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,938	\$ 2,294
Accounts receivable, net	3,273	4,077
Prepaid expenses and other current assets	1,025	404
Total current assets	6,236	6,775
Property and equipment, net	3,246	2,867
Goodwill	9,825	9,825
Intangibles, net	3,047	5,998
Other assets	262	421
Total assets	\$ 22,616	\$ 25,886
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 400	\$ 950
Current portion of capital lease	41	217
Accounts payable	1,220	1,885
Accrued expenses and other liabilities	1,576	2,277
Accrued dividends	40	20
Accrued sales taxes and regulatory fees	444	590
Total current liabilities	3,721	5,939
Long term liabilities:		
Capital lease, net of current portion	1	43
Deferred tax liability	142	—
Long term debt, net of current portion	10,785	10,235
Total long term liabilities	10,928	10,278
Total liabilities	14,649	16,217
Commitments and contingencies (see Note 16)		
Stockholders' equity:		
Preferred stock Series A-2, convertible; \$.0001 par value; \$7,500 stated value; 7,500 shares authorized, 53 shares issued and outstanding and liquidation preference of \$396 at December 31, 2014 and 2013, respectively	167	167
Common stock, \$.0001 par value; 150,000,000 shares authorized; 35,950,732 and 35,306,169 shares issued and outstanding at December 31, 2014 and 2013, respectively	4	4
Treasury stock, 40,000 and 0 shares at December 31, 2014 and 2013, respectively	(66)	—
Additional paid-in capital	178,476	177,357
Accumulated deficit	(170,614)	(167,859)
Total stockholders' equity	7,967	9,669
Total liabilities and stockholders' equity	\$ 22,616	\$ 25,886

See accompanying notes to consolidated financial statements.

**GLOWPOINT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Year Ended December 31,	
	2014	2013
Revenue	\$ 32,156	\$ 33,454
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	18,294	19,504
Research and development	1,019	662
Sales and marketing	3,307	3,812
General and administrative	5,643	7,378
Impairment charges	2,342	680
Depreciation and amortization	2,735	2,860
Total operating expenses	<u>33,340</u>	<u>34,896</u>
Loss from operations	<u>(1,184)</u>	<u>(1,442)</u>
Interest and other expense:		
Interest expense and other, net	1,343	1,096
Amortization of deferred financing costs	89	976
Amortization of debt discount	—	727
Total interest and other expense, net	<u>1,432</u>	<u>2,799</u>
Loss before income taxes	(2,616)	(4,241)
Income tax expense (benefit)	139	(30)
Net loss	<u>\$ (2,755)</u>	<u>\$ (4,211)</u>
Preferred stock dividends	20	20
Net loss attributable to common stock holders	<u>\$ (2,775)</u>	<u>\$ (4,231)</u>
Net loss attributable to common stockholders per share:		
Basic and diluted net loss per share	<u>\$ (0.08)</u>	<u>\$ (0.14)</u>
Weighted average number of common shares:		
Basic and diluted	<u>34,885</u>	<u>30,525</u>

See accompanying notes to consolidated financial statements.

**GLOWPOINT, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**Year Ended December 31, 2014 and 2013**  
(In thousands, except shares of Series B-1 and A-2 Preferred Stock)

	Series B-1 Preferred Stock		Series A-2 Preferred Stock		Common Stock		Treasury Stock		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2012	100	\$ 10,000	53	\$ 167	28,887	\$ 3	—	\$ —	\$ 166,481	\$(163,648)	\$ 13,003
Net loss	—	—	—	—	—	—	—	—	—	(4,211)	(4,211)
Stock-based compensation	—	—	—	—	—	—	—	—	1,038	—	1,038
Forfeiture of restricted stock, net of issuance	—	—	—	—	(462)	—	—	—	—	—	—
Stock issued in connection with debt amendment	—	—	—	—	100	—	—	—	148	—	148
Preferred stock exchange	(100)	(10,000)	—	—	6,767	1	—	—	9,710	—	(289)
Preferred stock dividends	—	—	—	—	—	—	—	—	(20)	—	(20)
Exercise of options	—	—	—	—	14	—	—	—	—	—	—
Balance at December 31, 2013	—	\$ —	53	\$ 167	35,306	\$ 4	—	\$ —	\$ 177,357	\$(167,859)	\$ 9,669
Net loss	—	—	—	—	—	—	—	—	—	(2,755)	(2,755)
Stock-based compensation	—	—	—	—	—	—	—	—	563	—	563
Issuance of restricted stock to settle accrued 2013 bonuses	—	—	—	—	123	—	—	—	204	—	204
Issuance of restricted stock	—	—	—	—	400	—	—	—	—	—	—
Forfeited restricted stock	—	—	—	—	(224)	—	—	—	—	—	—
Cost of preferred stock exchange	—	—	—	—	—	—	—	—	(5)	—	(5)
Preferred stock dividends	—	—	—	—	—	—	—	—	(20)	—	(20)
Options exercised	—	—	—	—	20	—	—	—	—	—	—
Repurchase of common stock	—	—	—	—	—	—	40	(66)	—	—	(66)
Issuance of common stock under an at-the-market sales agreement, net of expenses	—	—	—	—	326	—	—	—	377	—	377
Balance at December 31, 2014	—	\$ —	53	\$ 167	35,951	\$ 4	40	\$ (66)	\$ 178,476	\$(170,614)	\$ 7,967

See accompanying notes to consolidated financial statements.

**GLOWPOINT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Year Ended December 31,	
	2014	2013
Cash flows from Operating Activities:		
Net loss	\$ (2,755)	\$ (4,211)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,735	2,860
Bad debt (recovery) expense	(131)	149
Amortization of deferred financing costs	89	976
Amortization of debt discount	—	727
Stock-based compensation	600	1,203
Gain on debt forgiveness	—	(103)
Impairment charges	2,089	680
Increase (decrease) attributable to changes in assets and liabilities:		
Accounts receivable	935	(179)
Prepaid expenses and other current assets	(621)	493
Other assets	71	214
Accounts payable	(726)	(499)
Accrued expenses and other liabilities	(497)	(78)
Accrued sales taxes and regulatory fees	(146)	68
Deferred tax liability	142	—
Net cash provided by operating activities	1,785	2,300
Cash flows from Investing Activities:		
Proceeds from sale of equipment	4	2
Cash paid for acquisition costs	—	(46)
Purchases of property and equipment	(2,176)	(856)
Net cash used in investing activities	(2,172)	(900)
Cash flows from Financing Activities:		
Cost of preferred stock exchange	(5)	(289)
Principal payments for capital lease	(216)	(251)
Proceeds from new credit facility, net of expenses of \$322	—	8,978
Repayment of former debt obligations and expenses of \$482	—	(9,762)
Principal payments under borrowing arrangements	(249)	—
Advances on borrowing arrangements	249	—
Proceeds from issuance of common stock	416	—
Payment of equity issuance costs	(39)	—
Payment of debt issuance costs	(59)	—
Purchase of treasury stock	(66)	—
Net cash provided by (used in) financing activities	31	(1,324)
Increase (decrease) in cash and cash equivalents	(356)	76
Cash at beginning of year	2,294	2,218
Cash at end of year	\$ 1,938	\$ 2,294
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	\$ 1,330	\$ 1,200
Non-cash investing and financing activities:		
Accrued capital expenditure	\$ 81	\$ —
Acquisition of equipment under capital lease	\$ —	\$ 38
Preferred stock exchange and conversion	\$ —	\$ 10,000
Common stock issued in connection with debt amendment	\$ —	\$ 148
Common stock issued to broker in connection with preferred stock exchange	\$ —	\$ 135
Accrued preferred stock dividends	\$ 20	\$ 20
Issuance of restricted stock to settle accrued 2013 bonuses	\$ 165	\$ —

See accompanying notes to consolidated financial statements.

**GLOWPOINT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - The Business**

Glowpoint, Inc. ("Glowpoint" or "we" or "us" or the "Company") is a provider of video collaboration services and network solutions. Our services enable our customers to use videoconferencing as an efficient and effective method of communication for their business meetings. Our customers include Fortune 1000 companies, along with small and medium enterprises in a variety of industries. We market our services globally through a multi-channel sales approach that includes direct sales and channel partners.

The Company was formed as a Delaware corporation in May 2000. In October 2012, the Company acquired Affinity VideoNet, Inc. ("Affinity"), a service provider for public videoconference suites and managed videoconferencing. The Company operates in one segment and therefore segment information is not presented.

**Note 2 - Liquidity, Basis of Presentation and Summary of Significant Accounting Policies**

**Liquidity**

As of December 31, 2014, we had \$1,938,000 of cash and working capital of \$2,515,000. Our cash balance as of December 31, 2014 includes restricted cash of \$185,000 (as discussed in Note 3). For the year ended December 31, 2014, we generated a net loss of \$2,755,000 and net cash provided by operating activities of \$1,785,000. We generated cash flow from operations even though we incurred a net loss as our net loss includes certain non-cash expenses that are added back to our cash flow from operations as shown on our consolidated statements of cash flows.

In October 2013, the Company entered into a loan agreement by and among the Company and its subsidiaries, and Main Street Capital Corporation ("Main Street"), as lender and as administrative agent and collateral agent for itself and the other lenders from time to time party thereto (the "Main Street Loan Agreement"). The Main Street Loan Agreement provides for an \$11,000,000 senior secured term loan facility ("Main Street Term Loan") and a \$2,000,000 senior secured revolving loan facility (the "Main Street Revolver"). As of December 31, 2014, the Company had outstanding borrowings of \$9,000,000 under the Main Street Term Loan and \$400,000 on the Main Street Revolver (see Note 6).

On September 16, 2014, the Company entered into an At Market Issuance Sales Agreement, with MLV & Co. LLC ("MLV"), under which the Company may, at its discretion, sell its common stock with a sales value of up to a maximum of \$8,000,000 through at-the-market sales on the NYSE MKT (the "ATM Offering"). MLV acts as sole sales agent for any sales made in the ATM Offering for a 3% commission on gross proceeds. The common stock is being sold at market prices at the time of the sale, and, as a result, prices may vary. Through December 31, 2014, the Company sold 325,000 shares in the ATM Offering at a weighted-average selling price of \$1.28 per share for gross proceeds of \$416,000. Net proceeds totaled \$377,000, reflecting reductions for the 3% commission to MLV and other offering expenses.

Based on our current projection of revenue, expenses, capital expenditures and cash flows, the Company believes that it has, and will have, sufficient resources and cash flows to service its debt obligations and fund its operations for at least the next twelve months following the filing of this Report. As of December 31, 2014, we have availability of \$1,600,000 under the Main Street Revolver and \$2,000,000 under the Main Street Term Loan (subject to approval by Main Street under the terms of the Main Street Loan Agreement). There can be no assurances, however, that we will be able to access the availability from the Main Street Revolver and/or Main Street Term Loan in the future. There also can be no assurance that we will be able to raise capital through the ATM Offering as may be needed or upon acceptable stock prices. In the event we need access to capital to fund operations and provide growth capital beyond the ATM Offering and our existing Main Street credit facility, we have historically been able to raise capital in private placements. If the current or future economic conditions negatively impact us and we are unable to raise additional capital that may be needed on terms acceptable to us, it could have a material adverse effect on the Company.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Glowpoint and our 100%-owned subsidiaries, Affinity and GP Communications, LLC, whose business function is to provide interstate telecommunications services for regulatory

purposes. On December 31, 2014, the Company merged Affinity, its wholly owned subsidiary, into the Company. All material inter-company balances and transactions have been eliminated in consolidation.

### **Use of Estimates**

Preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from the estimates made. We continually evaluate estimates used in the preparation of our consolidated financial statements for reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. The significant areas of estimation include determining the allowance for doubtful accounts, deferred tax valuation allowance, accrued sales taxes, the valuation of goodwill, the valuation of intangible assets and their estimated lives, and the estimated lives and recoverability of property and equipment.

### **Allowance for Doubtful Accounts**

We perform ongoing credit evaluations of our customers. We record an allowance for doubtful accounts based on specifically identified amounts that are believed to be uncollectible. We also record additional allowances based on our aged receivables, which are determined based on historical experience and an assessment of the general financial conditions affecting our customer base. If our actual collections experience changes, revisions to our allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. We do not obtain collateral from our customers to secure accounts receivable. The allowance for doubtful accounts was \$54,000 and \$221,000 at December 31, 2014 and 2013, respectively.

### **Fair Value of Financial Instruments**

The Company considers its cash, accounts receivable and accounts payable to meet the definition of financial instruments. The carrying amount of cash, accounts receivable and accounts payable approximated their fair value due to the short maturities of these instruments. The carrying amounts of our debt obligations (see Note 6) approximate their fair values, which are based on borrowing rates that are available to the Company for loans with similar terms, collateral, and maturity.

The Company measures fair value as required by the ASC Topic 820 "*Fair Value Measurements and Disclosures*" ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. ASC Topic 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, there exists a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 - unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Company did not have any unobservable inputs as of December 31, 2014 and 2013 or during the years then ended.

### **Revenue Recognition**

Revenue billed in advance for video collaboration services is deferred until the revenue has been earned, which is when the related services have been performed. Other service revenue, including amounts passed through based on surcharges from our telecom carriers, related to the network services and collaboration services are recognized as service is provided. As the non-refundable, upfront installation and activation fees charged to our customers do not meet the criteria as a separate unit of accounting, they are deferred and recognized over the 12 to 24 month period estimated life of the customer relationship.

Revenue related to professional services is recognized at the time the services are performed. Revenues derived from other sources are recognized when services are provided or events occur.

### **Taxes Billed to Customers and Remitted to Taxing Authorities**

We recognize taxes billed to customers in revenue and taxes remitted to taxing authorities in our cost of revenue. For the years ended December 31, 2014 and 2013, we included taxes of \$1,233,000 and \$1,339,000, respectively, in revenue and we included taxes of \$1,197,000 and \$1,283,000, respectively, in cost of revenue.

### **Goodwill**

Goodwill is not amortized but is subject to periodic testing for impairment in accordance with ASC Topic 350 *Intangibles - Goodwill and Other - Testing Indefinite-Lived Intangible Assets for Impairment* ("ASC Topic 350"). We test for impairment on an annual basis or more frequently if events occur or circumstances change indicating that the fair value of the goodwill may be below its carrying amount. The performance of the impairment test involves a two-step process. The first step of the goodwill impairment test involves comparing the fair value of the reporting unit to the carrying value, including goodwill. The Company operates as a single reporting unit. We established November 30 as the date of our annual impairment test for goodwill. We determined the fair value of our reporting unit using a combination of a market-based approach using quoted market prices in active markets and the discounted cash flow ("DCF") methodology. The DCF methodology requires us to make key assumptions such as projected future cash flows, growth rates, terminal value and a weighted average cost of capital. The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. Based on the goodwill impairment tests performed at November 30, 2014, the estimated fair value of the reporting unit exceeded its carrying value, and therefore, the second step of the goodwill impairment test was not required. However, if market conditions deteriorate, or if the Company is unable to execute on its business plan, it may be necessary to record impairment charges in the future.

### **Impairment of Long-Lived Assets and Intangible Assets**

The Company assesses the impairment of long-lived assets used in operations, primarily fixed assets and purchased intangible assets subject to amortization when events and circumstances indicate that the carrying value of the assets might not be recoverable. For purposes of evaluating the recoverability of fixed assets, the undiscounted cash flows estimated to be generated by those assets are compared to the carrying amounts of those assets. If and when the carrying values of the assets exceed their fair values, then the related assets will be written down to fair value. Fair value of our intangible assets is determined using the relief from royalty methodology. This approach involves two steps: (a) estimating reasonable royalty rates for each intangible asset and (b) applying these royalty rates to a net revenue stream and discounting the resulting cash flows to determine fair value. This fair value is then compared with the carrying value of each intangible asset. If the carrying amount of the intangible asset is greater than its implied fair value, an impairment in the amount of the excess is recognized and charged to operations.

The determination of related estimated useful lives and whether or not these assets are impaired involves significant judgments, related primarily to the future profitability and/or future value of the assets. Changes in the Company's strategic plan and/or other-than-temporary changes in market conditions could significantly impact these judgments and could require adjustments to recorded asset balances. Long-lived assets are evaluated for impairment at least annually, as well as whenever an event or change in circumstances has occurred that could have a significant adverse effect on the fair value of long-lived assets.

### **Capitalized Software Costs**

The Company capitalizes certain costs incurred in connection with developing or obtaining internal-use software. All software development costs have been appropriately accounted for as required by ASC Topic 350.40 *Intangible - Goodwill and Other - Internal-Use Software.* Capitalized software costs are included in "Property and Equipment" on our consolidated balance sheets and are amortized over three to four years. Software costs that do not meet capitalization criteria are expensed as incurred. For the year ended December 31, 2014, we capitalized internal use software costs of \$1,343,000 and we amortized \$588,000 of these costs. For the year ended December 31, 2013, we capitalized internal use software costs of \$317,000 and we amortized \$506,000 of these costs. During the years ended December 31, 2014 and 2013, we recorded impairment losses of \$248,000 and \$65,000, respectively, for certain discrete projects that were abandoned. These charges are recognized as "Impairment Charges" on our Consolidated Statements of Operations.

### **Deferred Financing Costs**

Deferred financing costs, included in other assets, relate to fees and expenses incurred in connection with entering into our debt agreements (see Note 6), and are amortized as interest expense over the contractual lives of the related credit facilities.

### **Concentration of Credit Risk**

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash, and trade accounts receivable. We place our cash primarily in commercial checking accounts. Commercial bank balances may from time to time exceed federal insurance limits.

### **Property and Equipment**

Property and equipment are stated at cost and are depreciated over the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are amortized over the shorter of either the asset's useful life or the related lease term. Depreciation is computed on the straight-line method for financial reporting purposes. Property and equipment include fixed assets subject to capital leases which are depreciated over the life of the respective asset.

### **Income Taxes**

We use the asset and liability method to determine our income tax expense or benefit. Deferred tax assets and liabilities are computed based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that are expected to be in effect when the differences are expected to be recovered or settled. Any resulting net deferred tax assets are evaluated for recoverability and, accordingly, a valuation allowance is provided when it is more likely that not that all or some portion of the deferred tax asset will not be realized.

### **Stock-based Compensation**

Stock-based awards have been accounted for as required by ASC Topic 718 "*Compensation – Stock Compensation*" ("ASC Topic 718"). Under ASC Topic 718 share based awards are valued at fair value on the date of grant, and that fair value is recognized over the requisite service period. The Company values its stock option awards using the Black-Scholes option valuation model.

### **Research and development**

Research and development expenses include internal and external costs related to the development of new service offerings and features and enhancements to our existing services.

### **Accounting Standards Update**

On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for us on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In August 2014, FASB issued ASU No. 2014-15, "Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Management is currently evaluating the impact of the adoption of ASU 2014-14 on our financial statements and disclosures.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform with the current year presentation.

### Note 3 - Restricted Cash

As of December 31, 2014, our cash balance of \$1,938,000 included restricted cash of \$185,000. The \$185,000 pertains to a letter of credit that serves as the security deposit for our lease of office space in Colorado (as discussed in Note 16), and is secured by an equal amount of cash pledged as collateral, and such cash is held in a restricted bank account. As of December 31, 2013, our cash balance of \$2,294,000 included restricted cash of \$242,000.

### Note 4 - Property and Equipment

Property and equipment consisted of the following at December 31, 2014 and 2013 (in thousands):

	December 31,		Estimated Useful Life
	2014	2013	
Network equipment and software	\$ 11,156	\$ 10,151	3 to 5 Years
Computer equipment and software	2,730	2,514	3 to 4 Years
Collaboration equipment	497	497	5 Years
Leasehold improvements	522	525	(*)
Office furniture and equipment	622	769	5 to 10 Years
	15,527	14,456	
Accumulated depreciation	(12,281)	(11,589)	
Property and equipment, net	\$ 3,246	\$ 2,867	

(\*) – Depreciated over the shorter period of the estimated useful life (five years) or the lease term.

Related depreciation expense was \$1,477,000 and \$1,602,000 for the years ended December 31, 2014 and 2013, respectively.

For the years ended December 31, 2014 and 2013, the Company recorded asset impairment charges of \$145,000 and \$615,000, respectively, primarily consisting of furniture, network equipment, and leasehold improvements no longer being utilized in the Company's business. These charges are recognized as "Impairment Charges" on our Consolidated Statements of Operations.

### Note 5 - Intangible Assets

Intangible assets consisted of the following at December 31, 2014 and 2013 (in thousands):

	December 31,		Estimated Useful Life
	2014	2013	
Customer relationships	\$ 4,335	\$ 5,100	5 Years
Affiliate network	994	1,710	12 Years
Trademarks	548	760	8 Years
	5,877	7,570	
Accumulated amortization	(2,830)	(1,572)	
Intangible assets, net	\$ 3,047	\$ 5,998	

In connection with the Company's annual evaluation of intangible assets in the fourth quarter of 2014, we determined that the forecasted net revenue streams for 2015 and subsequent periods associated with the intangible assets recorded in connection with the Affinity acquisition are anticipated to be lower than originally forecasted. As such, the future cash flows associated with these intangible assets has diminished and the carrying values of the intangible assets exceeded their fair values. Therefore, we recorded an impairment charge of \$1,696,000 during the year ended December 31, 2014, recognized as "Impairment Charges" on our Consolidated Statements of Operations. This impairment charge consisted of \$765,000 for customer relationships, \$716,000 for affiliate network and \$215,000 for trademarks.

Intangible assets with finite lives are amortized using the straight-line method over the estimated economic lives of the assets, which range from five years to twelve years in accordance with ASC Topic 350. Accumulated amortization as of December 31, 2014 consisted of \$2,295,000 for customer relationships, \$321,000 for affiliate network and \$214,000 for trademarks. Related amortization expense was \$1,258,000 and \$1,258,000 for the years ended December 31, 2014 and 2013, respectively. Amortization expense for each of the next five succeeding years will be as follows (in thousands):

2015	\$	869
2016		869
2017		683
2018		127
2019		127
Thereafter		372
<b>Total</b>	<b>\$</b>	<b>3,047</b>

#### Note 6 - Debt

Long-term debt consists of the following (in thousands):

	December 31,	
	2014	2013
SRS Note	\$ 1,785	\$ 1,885
Main Street Term Loan	9,000	9,000
Main Street Revolver	400	300
	11,185	11,185
Less current maturities	(400)	(950)
Long-term debt, net of current portion	\$ 10,785	\$ 10,235

In October 2013, the Company entered into a loan agreement by and among the Company and its subsidiaries, and Main Street Capital Corporation ("Main Street"), as lender and as administrative agent and collateral agent for itself and the other lenders from time to time party thereto (the "Main Street Loan Agreement"). The Main Street Loan Agreement provides for an \$11,000,000 senior secured term loan facility ("Main Street Term Loan") and a \$2,000,000 senior secured revolving loan facility (the "Main Street Revolver"). As of December 31, 2014, the Company had outstanding borrowings of \$9,000,000 under the Main Street Term Loan and \$400,000 on the Main Street Revolver. As of December 31, 2013, the Company had outstanding borrowings of \$9,000,000 under the Main Street Term Loan and \$300,000 on the Main Street Revolver, and the Company used these proceeds to repay former debt obligations during 2013.

Borrowings under the Main Street Term Loan and Main Street Revolver mature on October 17, 2018 and October 17, 2015, respectively, unless sooner terminated as provided in the Main Street Loan Agreement. The Main Street Loan Agreement provides that the Main Street Term Loan borrowings bear interest at 12% per annum and the Main Street Revolver borrowings bear interest at 8% per annum. Interest payments on the outstanding borrowings under both the Main Street Term Loan and Main Street Revolver are due monthly. The Company is required to make quarterly principal payments on the Main Street Term Loan as follows: (i) starting on February 15, 2014 to April 15, 2015 in an amount equal to 33% of Excess Cash Flow generated by the Company (as defined in the Main Street Loan Agreement and effectively equal to cash flow from operations less capital expenditures less principal payments on capital leases) during the trailing fiscal quarter and (ii) from August 15, 2015 to August 15, 2018 in an amount equal to 50% of Excess Cash Flow generated by the Company during the trailing fiscal quarter. In the event there are outstanding borrowings on the Main Street Revolver, any quarterly principal payments are first applied to the Main Street Revolver and then to the Main Street Term Loan. During the year ended December 31, 2014, the Company made principal payments of \$149,000 on the Main Street Revolver and no principal payments on the Main Street Term Loan. During the year ended December 31, 2014, the Company received advances on the Main Street Revolver of \$249,000.

The Company may prepay borrowings under the Main Street Loan Agreement at any time without premium or penalty, subject to certain notice and minimum prepayment requirements. The obligations of the Company under the Main Street Loan Agreement are secured by substantially all of the assets of the Company, including all intellectual property, equity interests in subsidiaries, equipment and other personal property. The Main Street Loan Agreement contains standard representations, warranties and covenants for a transaction of its nature, including, among other things, covenants relating to (i) financial reporting and notification, (ii) payment of obligations, (iii) compliance with applicable laws and (iv) notification of certain events. The Main Street Loan Agreement also contains various covenants and restrictive provisions which may, among other things, limit the Company's ability to sell assets, incur additional indebtedness, make investments or loans and create liens. The Main Street Loan Agreement also contains financial covenants, including a fixed charge coverage ratio covenant and a debt to Adjusted EBITDA ("AEBITDA") ratio covenant as defined in the Main Street Loan Agreement. The Main Street Loan Agreement contains events of default customary for similar financings with corresponding grace periods, including failure to pay any principal or interest when due,

failure to perform or observe covenants, breaches of representations and warranties, certain cross defaults, certain bankruptcy related events, monetary judgments defaults and a change in control. Upon the occurrence of an event of default, the outstanding obligations under the Main Street Loan Agreement may be accelerated and become immediately due and payable. As of December 31, 2014, the Company was in compliance with all required covenants. On February 27, 2015, the Company and Main Street entered into an amendment to the Main Street Loan Agreement to revise certain of the Company's financial covenants and ratio levels.

Deferred financing costs related to our debt agreements of \$84,000 are included in prepaid expenses and other current assets and \$192,000 are included in other assets as of December 31, 2014. Deferred financing costs related to our debt agreements of \$363,000 are included in other assets as of December 31, 2013. The financing costs are amortized to interest expense using the effective interest method over the term of each loan through each maturity date. For the year ended December 31, 2014, we recorded \$89,000 of amortization of financing costs. For the year ended December 31, 2013, we recorded \$976,000 of amortization of financing costs, and \$727,000 of amortization of debt discount. As a result of the payoff of the Company's former debt obligations in 2013, the Company charged to interest and other expense in the year ended December 31, 2013: (i) the remaining unamortized portion of the debt financing costs from these former debt obligations as of the payoff date, which totaled \$710,000 and (ii) the remaining unamortized portion of the debt discount from a former debt obligation, which was \$619,000 as of the payoff date.

In connection with the October 2012 acquisition of Affinity, the Company issued a promissory note (the "SRS Note") to Shareholder Representative Services LLC ("SRS"), on behalf of the prior stockholders of Affinity. As of December 31, 2014 and 2013 the principal balance on the SRS Note was \$1,785,000 and \$1,885,000, respectively. On February 27, 2015, the Company amended and restated the SRS Note. The amended SRS Note, (i) extended the maturity date from January 4, 2016 to July 6, 2017, (ii) increased the interest rate from 10% to 15% per annum effective March 1, 2015 and (iii) revised the payment of interest from quarterly in arrears to payment on July 6, 2017 of all interest earned after March 1, 2015, unless certain trailing AEBITDA targets are met as defined in the agreement. The Company is required to make monthly principal payments in the amount of \$50,000 in the event the Company's trailing three month AEBITDA exceeds \$1,500,000. The Company is required to make additional payments on the principal amount over the remaining term of the SRS Note in an amount equal to 40% of the sum of the Company's trailing six month AEBITDA less \$3,000,000. The Company is currently evaluating the impact this amendment will have on its consolidated financial statements for the three months ended March 31, 2015. During the year ended December 31, 2014, the Company made two \$50,000 principal payments, totaling \$100,000, on the SRS Note based on achievement of the AEBITDA threshold.

In February 2014, the Company amended and restated the SRS Note. The amended note, which was effective as of December 31, 2013 (i) reduced the principal amount of the SRS Note by \$203,000 to \$1,885,000, (ii) increased the interest rate from 8% to 10% per annum and (iii) extended the maturity date from December 31, 2014 to January 4, 2016. The Company concluded that this amendment was a debt modification and not an extinguishment in accordance with ASC Topic 470-50 "Debt - Modifications and Extinguishments". The Company recorded the \$203,000 reduction of the SRS Note as follows for the year ended December 31, 2013: (i) a \$40,000 decrease to general and administrative expenses relating to reimbursement of certain expenses, (ii) a \$60,000 increase in accrued expenses and (iii) a \$103,000 increase to other income.

As of December 31, 2014, the current portion of long-term debt recorded on the Company's balance sheet was \$400,000, which reflects principal payments the Company expects to pay in 2015 on the Main Street Revolver. The Company expects that any principal payments under the Main Street Loan Agreement, which are based on a percentage of Excess Cash Flow as discussed above, will be applied to outstanding borrowings on the Main Street Revolver during the twelve months ending December 31, 2015. Therefore, the Company expects that no principal payments will be applied against the Main Street Term Loan during the twelve months ended December 31, 2015; and thus all outstanding borrowings on the Main Street Term Loan are classified as long term debt as of December 31, 2014. The principal payments related to these debt agreements are estimates and actual payments may vary.

Future maturities of long-term debt are estimated as follows (in thousands):

	Main Street Revolver	Main Street Term Loan	SRS Note	Total
2015	\$ 400	\$ —	\$ —	\$ 400
2016	—	—	—	—
2017	—	—	1,785	1,785
2018	—	9,000	—	9,000
	<u>\$ 400</u>	<u>\$ 9,000</u>	<u>\$ 1,785</u>	<u>\$ 11,185</u>

## Note 7 - Capital Lease Obligations

During the year ended December 31, 2014, the Company did not enter into any non-cancelable capital lease agreements. Depreciation expense on the equipment under the capital leases for the years ended December 31, 2014 and 2013 was \$51,000 and \$158,000, respectively. Future minimum commitments under all non-cancelable capital leases are as follows (in thousands):

	Interest	Principal	Total
2015	\$ 1	\$ 41	\$ 42
2016	—	1	1
	<u>\$ 1</u>	<u>\$ 42</u>	<u>\$ 43</u>

As of December 31, 2014, the current portion of the capital lease obligation is \$41,000 and the long-term portion is \$1,000.

## Note 8 - Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following at December 31, 2014 and 2013 (in thousands):

	December 31,	
	2014	2013
Due from vendors	\$ 95	\$ 26
Prepaid maintenance contracts	119	98
Deferred installation costs	30	58
Prepaid insurance	132	94
Prepaid equity issuance costs	100	—
Prepaid software licenses	123	—
Other prepaid expenses	342	128
Deferred financing costs	84	—
Prepaid expenses and other current assets	<u>\$ 1,025</u>	<u>\$ 404</u>

## Note 9 - Accrued Sales Taxes and Regulatory Fees

Included in accrued sales taxes and regulatory fees are (i) certain estimated sales and use taxes, regulatory fees and (ii) sales taxes and regulatory fees collected from customers that are to be remitted to taxing authorities. Our accrual as of December 31, 2014 includes estimates for taxes due where we plan to proactively contact various taxing authorities and voluntarily disclose potential sales and use tax liabilities. Accrued sales taxes and regulatory fees as of December 31, 2014 and 2013 are \$444,000 and \$590,000, respectively.

## Note 10 - Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following at December 31, 2014 and 2013 (in thousands):

	December 31,	
	2014	2013
Accrued compensation	\$ 271	\$ 755
Accrued severance costs	20	306
Accrued communication costs	272	328
Accrued professional fees	146	138
Accrued interest	143	137
Other accrued expenses	457	253
Deferred revenue	76	197
Customer deposits	191	163
Accrued expenses and other liabilities	<u>\$ 1,576</u>	<u>\$ 2,277</u>

## Note 11 - Equity-Based Compensation

## Glowpoint 2014 Stock Incentive Plan

On April 22, 2014, the Board of Directors of the Company (the "Board") adopted the Glowpoint, Inc. 2014 Equity Incentive Plan (the "2014 Plan"), subject to requisite stockholder approval. On May 28, 2014, the 2014 Plan was approved by the Company's stockholders at the Company's 2014 Annual Meeting of Stockholders. The purpose of the 2014 Plan is to promote the success of the Company and to increase stockholder value by providing an additional means to attract, motivate, retain and reward selected employees and other eligible persons through the grant of equity awards. Awards may be granted under the 2014 Plan to officers, employees, directors and consultants of the Company or its subsidiaries. The 2014 Plan permits the grant of stock options, stock appreciation rights, restricted shares, restricted stock units, cash awards and other awards, including stock bonuses, performance stock, performance units, dividend equivalents, or similar rights to purchase or acquire shares, whether at a fixed or variable price or ratio related to the Company's common stock, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof, or any similar securities with a value derived from the value of or related to the Company's common stock and/or returns thereon. A total of 4,400,000 shares of the Company's common stock are available for issuance pursuant to awards under the 2014 Plan. No awards were granted under the 2014 Plan during the year ended December 31, 2014.

## Glowpoint 2000 Stock Incentive Plan

In June 2010, the Board terminated the Glowpoint 2000 Stock Incentive Plan (as amended, the "2000 Plan"). Notwithstanding the termination of the 2000 Plan, outstanding awards under the 2000 Plan will remain in effect accordance with their terms. As of December 31, 2014, options to purchase a total of 87,000 shares of common stock were outstanding.

## Glowpoint 2007 Stock Incentive Plan

In May 2014, the Board terminated the Company's 2007 Stock Incentive Plan (the "2007 Plan"). Notwithstanding the termination of the 2007 Plan, outstanding awards under the 2007 Plan will remain in effect accordance with their terms. As of December 31, 2014, options to purchase a total of 1,263,000 shares of common stock were outstanding.

## Stock Options

The Company periodically grants stock options to employees and directors in accordance with the provisions of our stock incentive plans, with the exercise price of the stock options being set at or above the closing price of our common stock at the date of grant.

In our stock incentive plans, the exercise price of the awards are established by the administrator of the plan and, in the case of incentive stock options ("ISOs") issued to employees who are less than 10% stockholders, the per share exercise price must be equal to at least 100% of the fair market value of a share of the common stock on the date of grant or not less than 10% of the fair market value of the shares in the case of an employee who is a 10% stockholder. The administrator of the plan determines the terms and provisions of each award granted, including the vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment, payment contingencies and satisfaction of any performance criteria.

For the year ended December 31, 2014, no options were granted, 50,000 options expired, and 50,000 options were exercised and converted into 20,000 shares of common stock. The weighted average fair value of each option granted is estimated on the date of grant using the Black-Scholes option valuation model with the weighted average assumptions during the year ended December 31, 2013 as shown in the table below. No assumptions are presented for the year ended December 31, 2014 as no options were granted during this period.

	Year Ended December 31,
	2013
Risk free interest rate	0.8%
Expected option lives	5 years
Expected volatility	103.2%
Estimated forfeiture rate	10%
Expected dividend yields	—
Weighted average grant date fair value of options	\$1.39

The Company calculates expected volatility for a stock-based grant based on historic daily stock price observations of its common stock during the period immediately preceding the grant that is equal in length to the expected term of the grant. The expected term of the options and forfeiture rates are estimated based on the Company's exercise and employment termination experience. The risk free interest rate is based on U.S. Treasury yields for securities in effect at the time of grants with terms approximating the expected life of the grants. The assumptions used in the Black-Scholes option valuation model are highly subjective and can materially affect the resulting valuations.

A summary of stock options granted, exercised, expired and forfeited under our plans and options outstanding as of, and changes made during, the years ended December 31, 2014 and 2013 (options in thousands):

	Outstanding		Exercisable	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, December 31, 2012	1,857	\$ 3.07	605	\$ 2.93
Granted	1,075	1.84		
Exercised	(70)	1.61		
Expired	(14)	13.56		
Forfeited	(1,056)	3.16		
Options outstanding, December 31, 2013	1,792	\$ 2.21	410	\$ 2.71
Granted	—	—		
Exercised	(50)	0.90		
Expired	(50)	5.29		
Forfeited	(342)	2.70		
Options outstanding, December 31, 2014	1,350	\$ 2.02	729	\$ 2.05

Additional information as of December 31, 2014 is as follows (options in thousands):

Range of price	Outstanding			Exercisable	
	Number of Options	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
\$0.90 – \$1.51	175	7.67	\$ 1.29	85	\$ 1.29
\$1.52 – \$1.96	70	3.23	1.71	70	1.71
\$1.98 – \$2.05	892	7.96	1.98	438	1.98
\$2.12 – \$2.60	97	5.50	2.34	70	2.35
\$2.68 – \$7.68	116	6.32	3.29	66	3.50
	1,350	7.36	\$ 2.02	729	2.05

A summary of unvested options as of, and changes during the years ended December 31, 2014 and 2013, is presented below (options in thousands):

	Options	Weighted Average Grant Date Fair Value
Unvested options outstanding, December 31, 2012	1,252	\$ 2.27
Granted	1,075	1.39
Vested	(85)	1.43
Forfeited	(860)	2.25
Unvested options outstanding, December 31, 2013	1,382	\$ 1.57
Granted	—	—
Vested	(597)	1.46
Forfeited	(163)	2.20
Unvested options outstanding, December 31, 2014	622	\$ 1.51

Stock option compensation expense relating to stock option awards is allocated as follows for the years ended December 31, 2014 and 2013 (in thousands):

	Year Ended December 31,	
	2014	2013
General and administrative	\$ 356	\$ 646
	\$ 356	\$ 646

The intrinsic value of vested options at December 31, 2014 and 2013 was \$3,000 and \$6,000, respectively. The intrinsic value of unvested options at December 31, 2014 and 2013 was \$7,000 and \$48,000, respectively. The intrinsic value of exercised options for the year ended December 31, 2014 and 2013 was \$30,000 and \$27,000, respectively.

The remaining unrecognized stock-based compensation expense for options at December 31, 2014 was \$786,000, of which \$20,000, representing 10,000 options, will only be expensed upon a “change in control” and the remaining \$766,000 will be amortized over a weighted average period of approximately 1.8 years.

The tax benefit recognized for stock-based compensation for the year ended December 31, 2014 and 2013 was de minimis. No compensation costs were capitalized as part of the cost of an asset.

### Restricted Stock

A summary of restricted stock granted, vested, forfeited and unvested outstanding as of, and changes made during, the years ended December 31, 2014 and 2013, is presented below (shares in thousands):

	Restricted Shares	Weighted Average Grant Price
Unvested restricted shares outstanding, December 31, 2012	1,294	\$ 2.43
Granted	388	1.28
Vested	(367)	1.43
Forfeited	(850)	2.56
Unvested restricted shares outstanding, December 31, 2013	465	\$ 2.03
Granted	522	1.53
Vested	(122)	1.54
Forfeited	(224)	2.32
Unvested restricted shares outstanding, December 31, 2014	641	\$ 1.61

The number of restricted shares vested during the year ended December 31, 2014 includes 40,000 shares withheld and repurchased by the Company on behalf of employees to satisfy \$66,000 of minimum statutory tax withholding requirements. Such shares are held in the Company's treasury stock as of December 31, 2014.

Stock compensation expense relating to restricted stock awards are allocated as follows for the years ended December 31, 2014 and 2013 (in thousands):

	Year Ended December 31,	
	2014	2013
Cost of revenue	\$ 36	\$ 40
Research and development	12	8
Sales and marketing	29	56
General and administrative	167	453
	<u>\$ 244</u>	<u>\$ 557</u>

During the year ended December 31, 2014, additional paid in capital was increased by \$204,000 relating to the issuance of restricted stock for settlement of bonuses, of which \$165,000 was recorded in accrued expenses as of December 31, 2013. Stock based compensation expense related to these accrued bonuses was recorded during the year ended December 31, 2013.

The remaining unrecognized stock-based compensation expense for restricted stock at December 31, 2014 was \$689,000, of which \$38,000, representing 15,000 shares, will only be expensed upon a "change in control" and the remaining \$651,000 will be amortized over a weighted average period of 2.6 years.

The tax benefit recognized for stock-based compensation for the year ended December 31, 2014 and 2013 was de minimis. No compensation costs were capitalized as part of the cost of an asset.

#### Note 12 - Common Stock

On September 16, 2014, the Company entered into an At Market Issuance Sales Agreement, with MLV & Co. LLC ("MLV"), under which the Company may, at its discretion, sell its common stock with a sales value of up to a maximum of \$8,000,000 through at-the-market sales on the NYSE MKT (the "ATM Offering"). MLV acts as sole sales agent for any sales made in the ATM Offering for a 3% commission on gross proceeds. The common stock is being sold at market prices at the time of the sale, and, as a result, prices may vary. Sales in the ATM Offering are being made pursuant to the prospectus supplement dated September 16, 2014, which supplements the Company's prospectus dated January 22, 2013, filed as part of the shelf registration statement that was declared effective by the Securities and Exchange Commission ("SEC") on January 22, 2013. Through December 31, 2014, the Company sold 325,000 shares in the ATM Offering at a weighted-average selling price of \$1.28 per share for gross proceeds of \$416,000. Net proceeds totaled \$377,000, reflecting reductions for the 3% commission to MLV and other offering expenses. The Company has recorded approximately \$125,000 of expenses for the offering, excluding MLV commissions and other fees of \$14,000, in prepaid expenses and other current assets as of December 31, 2014. The Company will charge these costs against additional paid-in capital as shares are sold under the ATM Offering. During the year ended December 31, 2014, \$25,000 of such costs were recorded against additional paid-in capital.

#### Note 13 - Preferred Stock

Our Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock. As of December 31, 2014, there were: 100 shares of Series B-1 Preferred Stock authorized, and no shares issued or outstanding; 7,500 shares of Series A-2 Preferred Stock authorized and 53 shares issued and outstanding; and 4,000 shares of Series D Preferred Stock authorized and no shares issued or outstanding.

During the year ended December 31, 2013, the Company exchanged all 100 issued and outstanding shares of Series B-1 Preferred Stock pursuant to exchange agreements between the Company and the holders of this preferred stock (the "Exchange Agreements") for 6,667,286 shares of the Company's common stock. The liquidation preference for the Preferred Shares was approximately \$10,247,000, representing an effective conversion price for the Company's common stock issued pursuant to the Exchange Agreements of \$1.54 per share. In connection with the Exchange Agreements, the holders of the Preferred Shares waived their claim to accrued dividends on the Preferred Shares in the approximate amount of \$247,000. The Company recorded the reversal of these accrued dividends as a reduction to Preferred Stock Dividends on the accompanying consolidated statement of operations. During the years ended December 31, 2014 and 2013, the Company incurred approximately \$5,000 and \$289,000 of costs in connection with the Exchange Agreements, respectively, which were recorded as a reduction to additional paid-in capital. The Company also issued 100,000 of shares of Common Stock to a broker in October 2013, recorded in stockholders' equity as a cost of the preferred stock exchange equal to a value of

\$135,000. This value was based on the October 15, 2013 stock price of \$1.35 (see Note 20 for further discussion). The Exchange Agreements were recorded through stockholders' equity.

Each share of Series A-2 Preferred Stock has a stated value of \$7,500 per share (the "A-2 Stated Value"), a liquidation preference equal to the Series A-2 Stated Value, and is convertible at the holder's election into common stock at a conversion price per share of \$2.9844 as of December 31, 2014. Therefore, each share of Series A-2 Preferred Stock is convertible into 2,500 shares of common stock as of December 31, 2014. The conversion price is subject to adjustment upon the occurrence of certain events set forth in our Certificate of Incorporation. During the year ended December 31, 2014, the conversion price was adjusted from \$3.00 per share to \$2.9844 per share as a result of sales in the ATM Offering during this period. The Series A-2 Preferred Stock is subordinate to the Series B-1 Preferred Stock but senior to all other classes of equity, has weighted average anti-dilution protection and, commencing on January 1, 2013, is entitled to cumulative dividends at a rate of 5% per annum, payable quarterly, based on the Series A-2 Stated Value. All dividends are payable at the option of the holder in cash or through the issuance of a number of additional shares of Series A-2 Preferred Stock with an aggregate liquidation preference equal to the dividend amount payable on the applicable dividend payment date. As of December 31, 2014 and 2013, the Company has recorded \$40,000 and \$20,000, respectively, in accrued dividends on the accompanying balance sheet related to the Series A-2 Preferred Stock.

In accordance with ASC Topic 815, we evaluated whether our convertible preferred stock contains provisions that protect holders from declines in our stock price or otherwise could result in modification of the exercise price and/or shares to be issued under the respective preferred stock agreements based on a variable that is not an input to the fair value of a "fixed-for-fixed" option and require a derivative liability. The Company determined no derivative liability is required under ASC Topic 815 with respect to our convertible preferred stock. A contingent beneficial conversion amount is required to be calculated and recognized when and if the adjusted \$3.00 conversion price of the convertible preferred stock is adjusted to reflect a down round stock issuance that reduces the conversion price below the \$1.16 fair value of the common stock on the issuance date of the convertible preferred stock.

#### Note 14 - Loss Per Share

Basic loss per share is computed by dividing net loss available to common stockholders by the weighted-average number of shares of common stock outstanding during the period. The weighted-average number shares of common stock outstanding does not include any potentially dilutive securities or any unvested restricted shares of common stock. These unvested restricted shares, although classified as issued and outstanding at December 31, 2014 and 2013, are considered contingently returnable until the restrictions lapse and will not be included in the basic earnings per share calculation until the shares are vested. Unvested shares of our restricted stock do not contain non-forfeitable rights to dividends and dividend equivalents.

Diluted loss per share includes the effect of all potentially dilutive securities on earnings per share. The difference between basic and diluted weighted-average shares outstanding is the dilutive effect of unvested restricted stock, stock options, and preferred stock. For the years ended December 31, 2014 and 2013, diluted net loss per share is the same as basic net loss per share due to the Company's net loss attributable to common stockholders and the potential shares of common stock that could have been issuable have been excluded from the calculation of diluted net loss per share because the effects, as a result of our net loss attributable to common stockholders, would be anti-dilutive.

The following table represents a reconciliation of the basic and diluted loss per share computations contained in our consolidated financial statements (in thousands, except per share data):

	Year Ended	
	December 31,	
	2014	2013
Net loss	\$ (2,755)	\$ (4,211)
Less: preferred stock dividends	20	20
Net loss attributable to common stockholders	\$ (2,775)	\$ (4,231)
Weighted average shares outstanding - basic	34,885	30,525
Weighted average shares outstanding - diluted	34,885	30,525
Basic net loss per share	\$ (0.08)	\$ (0.14)
Diluted net loss per share	\$ (0.08)	\$ (0.14)

The weighted-average diluted shares of common stock outstanding as of December 31, 2014 excludes the effect of 1,300,000 out-of-the-money options, because their effect would be anti-dilutive.

The following table sets forth the potential shares of common stock that were excluded from diluted weighted-average shares of common stock outstanding (in thousands):

	Year Ended December 31,	
	2014	2013
Unvested restricted stock	670	465
Shares of common stock issuable upon conversion of preferred stock, Series A-2	133	133
Stock options outstanding	1,350	1,792

#### Note 15 - Interest Expense and Other, Net

The components of interest expense and other, net for the years ended December 31, 2014 and 2013 are presented below (in thousands):

	December 31,	
	2014	2013
Interest expense for debt	\$ 1,322	\$ 1,179
Interest expense for capital lease	8	21
Forgiveness of debt	—	(103)
Interest income	(5)	(1)
Other expense (income)	18	—
Interest expense and other, net	\$ 1,343	\$ 1,096

#### Note 16 - Commitments and Contingencies

##### Operating Leases

We lease several facilities under operating leases expiring through 2020. Certain leases require us to pay increases in real estate taxes, operating costs and repairs over certain base year amounts. Lease payments for the years ended December 31, 2014 and 2013 were \$671,000 and \$765,000, respectively.

During 2014, the Company vacated its Pennsylvania office space and recorded an impairment charge of \$253,000 representing the estimated net present value of the Company's contractual obligation over the remaining lease term, adjusted for estimated sublease payments and other associated costs. This impairment charge is recorded in Impairment Charges on the Company's consolidated statements of operations for the year ended December 31, 2014. In August 2014, the Company entered into a termination agreement relating to this lease. In exchange for the Company's termination payment of \$150,000, paid in 2014, the Company was released from all future obligations under the lease.

In July 2014, the Company entered into an operating lease for office space in Oxnard, California to replace other office space the Company previously rented in California on a month-to-month basis. The commencement date for this lease started in December 2014 and the term of the lease is for 64 months. The monthly rent expense for this office space approximates \$7,000. The future minimum lease commitments shown above include commitments for this new operating lease.

For the year ended December 31, 2014 and through February 2015, the Company leased office space in New Jersey on a month-to-month basis. Effective March 1, 2015, the Company terminated this lease and no longer leases office space in New Jersey. The Company is evaluating potential impairment charges that would be recorded in the first quarter of 2015 relating to idle property and equipment for our former office.

Future minimum rental commitments under all non-cancelable operating leases are as follows (in thousands):

Year Ending December 31,

2015	261
2016	294
2017	301
2018	308
2019	88
2020	23
	\$ 1,275

### Commercial Commitments

We have entered into a number of agreements with our suppliers to purchase communications and consulting services. Some of the agreements require a minimum amount of services to be purchased over the life of the agreement, or during a specified period of time. Glowpoint believes that it will meet its commercial commitments. Historically, in certain instances where Glowpoint did not meet the minimum commitments, no penalties for minimum commitments have been assessed and the Company has entered into new agreements. It has been our experience that the prices and terms of successor agreements are similar to those offered by other suppliers. Glowpoint does not believe that any loss contingency related to a potential shortfall should be recorded in the consolidated financial statements because it is not probable, from the information available and from prior experience, that Glowpoint has incurred a liability.

### Letter of Credit

As of December 31, 2014, the Company had an outstanding irrevocable standby letter of credit with Comerica Bank for \$185,000 to serve as our security deposit for our lease of office space in Colorado.

### Note 17 - Major Customers

Major customers are defined as direct customers or channel partners that account for more than 10% of the Company's revenues. Our largest customer, a channel partner, represented a total of approximately 11% of our revenue for the year ended December 31, 2014, and 7% of our outstanding accounts receivable at December 31, 2014. This customer has notified the Company that it intends to terminate the services provided by the Company on or before June 30, 2015. Two additional customers accounted for 15% and 13% of our outstanding accounts receivable at December 31, 2014. For the year ended December 31, 2013, approximately 21% of revenues were derived from two wholesale channel partners. The loss of any one of these partners could have a material adverse effect on our business and results of operations.

### Note 18 - Income Taxes

The following table sets forth income before taxes and the income tax expense (benefit) for the years ended December 31, 2014 and December 31, 2013 (in thousands):

	Year Ended December 31,	
	2014	2013
Current:		
State	4	(30)
	4	(30)
Deferred:		
Federal	124	—
State	11	—
	135	—
Income tax expense (benefit)	\$ 139	\$ (30)

Our effective tax rate differs from the statutory federal tax rate for the years ended December 31, 2014 and 2013 as shown in the following table (in thousands):

	Year Ended December 31,	
	2014	2013
U.S. federal income taxes at the statutory rate	\$ (916)	\$ (1,372)
State taxes, net of federal effects	(77)	(297)
Permanent differences	22	310
Impact of state tax rate change to deferred	1,282	—
Expired net operating loss carry-forwards	—	1,635
Other	297	14
Change in valuation allowance	(469)	(320)
Income tax expense (benefit)	\$ 139	\$ (30)

The tax effect of the temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2014 and 2013 is presented below (in thousands):

	December 31,	
	2014	2013
Deferred tax assets:		
Tax benefit of operating loss carry forward	\$ 14,280	\$ 15,490
Reserves and allowances	172	232
Accrued expenses	79	263
Charitable Contributions	184	196
Goodwill	—	192
Equity based compensation	543	650
Fixed assets	229	306
Texas margin tax temporary credit	253	260
Total deferred tax assets	15,740	17,589
Valuation allowance	(15,099)	(15,568)
Net deferred tax assets	\$ 641	\$ 2,021
Deferred tax liabilities:		
481(a) adjustment	3	—
Goodwill	135	—
Intangible amortization	645	2,021
Total deferred tax liabilities	\$ 783	\$ 2,021
Net deferred tax liability	\$ (142)	\$ —

The ending balances of the deferred tax asset have been fully reserved, reflecting the uncertainties as to realizability evidenced by the Company's historical results. The change in valuation allowance during the year is a decrease of \$469,000.

We and our subsidiary file federal and state tax returns on a consolidated basis. During 2013, we determined that an "ownership change" had occurred in 2013 (as defined under Section 382 of the Internal Revenue Code of 1986, as amended) which places an annual limitation on the utilization of the net operating loss ("NOL") carryforwards accumulated before the ownership change. As a result of this annual limitation and the limited carryforward life of the accumulated NOLs, we determined that the ownership change resulted in the permanent loss of approximately \$1.9 million of tax benefit associated with the NOL carryforwards. If additional ownership changes occur in the future, the use of the net operating loss carryforwards could be subject to further limitation. At December 31, 2013 we had federal net operating loss carryforwards of \$37,349,000 available to offset future federal taxable income which expire in various amounts from 2017 through 2034. At December 31, 2014, we had federal net operating loss carryforwards of \$37,393,000 available to offset future federal taxable income which expire in various amounts from 2017 through 2035. The Company also has various state net operating loss carryforwards. The determination of the state net operating loss carryforwards is dependent upon apportionment percentages and state laws that can change from year to year and impact the amount of such carryforwards.

There were no significant matters determined to be unrecognized tax benefits taken or expected to be taken in a tax return, in accordance with 740 "Income Taxes" ("ASC 740"), which clarifies the accounting for uncertainty in income taxes recognized in the financial statement, that have been recorded on the Company's consolidated financial statements for the years ended December 31, 2014 and 2013. The Company does not anticipate a material change to unrecognized tax benefits in the next twelve months.

Additionally, ASC 740 provides guidance on the recognition of interest and penalties related to income taxes. There were no interest or penalties related to income taxes that have been accrued or recognized as of and for the years ended December 31, 2014 and 2013.

The federal and state tax returns for the years ending December 31, 2013, 2012, 2011 and 2010 are currently open and the tax return for the year ended December 31, 2014 will be filed by September 2015.

#### **Note 19 - 401(k) Plan**

We have adopted a retirement plan under Section 401(k) of the Internal Revenue Code. The 401(k) plan covers substantially all employees who meet minimum age and service requirements. Employer contributions to the 401(k) plan for the years ended December 31, 2014 and 2013 were \$122,000 and \$95,000, respectively.

#### **Note 20 - Related Party Transactions**

The Company provides video collaboration services to ABM Industries, Inc. ("ABM"). James S. Lusk, who serves on the Board of Directors for the Company, is an officer of ABM. Revenue from ABM for the years ended December 31, 2014 and 2013 were \$133,000 and \$136,000, respectively. As of December 31, 2014, the accounts receivable attributable to ABM was \$0.

The Company received general corporate strategy and management consulting services under a Consulting Agreement entered into on September 1, 2010 from Jon A. DeLuca (the "Consulting Agreement"), who until April 4, 2014 served as a member of our Board of Directors. The Consulting Agreement was a month-to-month engagement pursuant to which the Company paid Mr. DeLuca \$12,500 per month, plus any pre-authorized expenses incurred in providing services. The Consulting Agreement was terminated on April 4, 2014 in connection with Mr. DeLuca's resignation as a director of the Company. Related party consulting fees pursuant to this agreement for the years ended December 31, 2014 and 2013 were \$39,000 and \$150,000, respectively; and such fees have been recorded in General and Administrative expenses on the Company's consolidated statements of operations. As of December 31, 2014, there were no remaining payment obligations to Mr. DeLuca.

During 2013, the Company received financial advisory services from Burnam Hill Partners, LLC ("BHP") under certain engagement agreements. Jason Adelman, a principal of BHP, is a greater than 5% shareholder of the Company. In October 2013, the Company terminated all such engagement agreements with BHP. In connection with the termination of the agreements with BHP referenced above and to settle amounts due to BHP for financial advisory services, the Company agreed to pay BHP \$100,000 and issue 100,000 of shares of Common Stock to BHP. The \$100,000 fee and value of stock were included as a cost of the Series B-1 Preferred Stock Exchange (see Note 13) in 2013. The shares were valued at \$135,000 using the October 15, 2013 stock price of \$1.35. Other financial advisory fees paid to BHP for the years ended December 31, 2014 and 2013, recorded in General and Administrative expenses on the Company's consolidated statements of operations were \$0 and \$96,000, respectively. As of December 31, 2014, there were no remaining payment obligations to BHP.

Pursuant to a Sales Partner Agreement between Glowpoint and Nancy K. Holst, Ms. Holst was entitled to certain sales commissions. Ms. Holst is the wife of Peter Holst, the Company's President and CEO. For the years ended December 31, 2014 and 2013, she earned \$0 and \$21,000, respectively; and such commissions have been recorded in Sales and Marketing expenses on the Company's consolidated statements of operations. The Company terminated the Sales Partner Agreement with Ms. Holst effective December 31, 2013 and no amounts are due to Ms. Holst as of December 31, 2014.

As of December 31, 2014, Peter Holst, the Company's President and CEO and a prior stockholder of Affinity, held a 27% interest in the SRS Note, which was issued to SRS on behalf of the prior stockholder of Affinity in October 2012. See Note 6 for a description of the terms of the SRS Note.

As of December 31, 2014, Main Street owns 7,711,517 shares, or 22%, of the Company's common stock. Main Street is the Company's debt lender (see Note 6).

Transactions with related parties, including the transactions referred to above, are reviewed and approved by independent members of the Board of Directors of the Company.

#### **Note 21 - Subsequent Events**

On February 27, 2015 the Company amended and restated its promissory note with Shareholder Representative Services LLC. See discussion in Note 6, Debt.

On February 27, 2015 the Company amended its loan agreement with Main Street. See discussion in Note 6, Debt.

For the year ended December 31, 2014 and through February 2015, the Company leased office space in New Jersey on a month-to-month basis. Effective March 1, 2015, the Company terminated this lease and no longer leases office space in New Jersey. The Company is evaluating potential impairment charges that would be recorded in the first quarter of 2015 relating to idle property and equipment for our former office. See discussion in Note 16, Commitments and Contingencies.

During January and February 2015, the Company issued a total of 2,773,992 restricted stock units under the Glowpoint 2014 Stock Incentive Plan. 712,600 of these awards are time-based restricted stock units and 2,061,392 are performance-based restricted stock units. The performance-based restricted stock units vest based solely upon the Company's achievement of certain annual financial targets over a three-year period.

**Glowpoint, Inc.  
2014 Equity Incentive Plan**

**Performance-Vested Restricted Stock Unit Agreement**

Glowpoint, Inc., a Delaware corporation (the “Company”), pursuant to its 2014 Equity Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”), the restricted stock units set forth below (individually and collectively referred to as the “Restricted Stock Units”). The grant is subject to and governed by the Plan generally, and all capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

**Notice of Restricted Stock Unit Award**

Participant [\_\_\_\_\_]

Grant Date [\_\_\_\_\_]

Target Restricted Stock Units [\_\_\_\_\_]

Overview Participant shall be able to earn between [\_\_]% - [\_\_]% of the Target Restricted Stock Units based on the attainment of certain performance goals over the Measuring Periods described below.

Measuring Periods There shall be [\_\_\_\_\_] Measuring Periods, as follows: [\_\_\_\_\_].

Vesting, General Vesting, if any, shall occur at the end of each Measuring Period based upon the [\_\_\_\_\_] (defined below) and [\_\_\_\_\_] (defined below) of the Company during such Measuring Period. Except as set forth below, Participant must remain in the continuous employment of the Company from the Grant Date through the last day of the applicable Measurement Period in order to vest in Restricted Stock Units for such Measurement Period.

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Target Vesting Amounts for each Measurement Period

For each Measuring Period, the number of Restricted Stock Units that may vest shall be calculated by first dividing the total Target Restricted Stock Units by three (3) (such amount being the “Per Tranche Target”). The Per Tranche Target shall then be subdivided into amounts that shall be eligible to vest based on [ ] for the Measuring Period, and amounts that shall vest based on [ ] for the Measuring Period, by multiplying the Per Tranche Target for the Measuring Period by the following weightings:

[ ] .....[%]  
[ ] .....[%]

The Per Tranche Amount that shall be eligible to vest based on [ ] for the Measuring Period shall be known as the “[ ] Per Tranche Target.”

The Per Tranche Amount that shall be eligible to vest based on [ ] for the Measuring Period shall be known as the “[ ] Per Tranche Target.”

Amounts Vesting Per Measuring Period Based on [ ]

The number of Restricted Stock Units actually vesting at the end of each Measuring Period based on [ ] for such Measuring Period (the “[ ] Vested RSUs”) shall be equal to the [ ] Per Tranche Target for such Measuring Period multiplied by the “Vesting Percentage” determined in accordance with the following chart: [ ]

Amounts Vesting Per Measuring Period Based on [ ]

The number of Restricted Stock Units actually vesting at the end of each Measuring Period based on [ ] for such Measuring Period (the “[ ] Vested RSUs”) shall be equal to the [ ] Per Tranche Target for such Measuring Period multiplied by the “Vesting Percentage” determined in accordance with the following chart: [ ]

Total Amount Vested Per Measuring Period

The total number of Restricted Stock Units vested at the end of each Measuring Period (the “Total Vested RSUs”) shall be the sum of the [ ] Vested RSUs plus the [ ] Vested RSUs.

Vesting Determinations

The vesting results for a Measuring Period shall be certified in writing by the Administrator no later than the March 15<sup>th</sup> next following the end of such Measuring Period.

[ ] and Target [ ]

“[ ]” shall mean [ ].  
“Target [ ]” for each Measuring Period shall be as follows: [ ]

[ ] and Target [ ]

“[ ]” shall mean [ ].  
“Target [ ]” for each Measuring Period shall be as follows: [ ]

## Special Vesting Events

### Termination of Continuous Employment

In the event of the termination of Participant's continuous employment by the Company without "cause" (as defined in the Plan), Participant shall be eligible to vest in a pro-rata number of Restricted Stock Units at the end of each Measuring Period, in an amount equal to (i) the Total Vested RSUs for such Measuring Period, *multiplied by* (ii) a fraction, (x) the numerator of which is the number of days Participant remained in continuous employment from the start of the applicable Measuring Period through the date of termination, and (y) the denominator of which is the total number of days in the applicable Measuring Period.

### Death or Disability

In the event of the termination of Participant's continuous employment with the Company on account of Participant's death or Disability, Participant shall be eligible to vest in a pro-rata number of Restricted Stock Units at the end of each Measuring Period, in an amount equal to (i) the Total Vested RSUs for such Measuring Period, *multiplied by* (ii) a fraction, (x) the numerator of which is the number of days Participant remained in continuous employment from the start of the applicable Measuring Period through the date of Participant's death or Disability, and (y) the denominator of which is the total number of days in the applicable Measuring Period. "Disability" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(4).

### Change in Control

In the event of a Change in Control while Participant is in the continuous employment of the Company, Participant shall become immediately vested in a number of RSUs equal to the Per Tranche Targets for all Measuring Periods that have not yet ended as of the date of the Change in Control.

## Payment

The Company shall issue to Participant one share of Common Stock for each Restricted Stock Unit that vests hereunder, with the delivery of such Common Stock to occur as soon as reasonably practicable following the certification of results for the applicable Measuring Period (or if sooner, the occurrence of a Change in Control), but in all events payment shall be made no more than seventy-four (74) days following the last day of the applicable Measuring Period (or the date of the Change in Control, if sooner).

## Dividend Equivalent Right

Participant shall be entitled upon the vesting of any Restricted Stock Units to receive an additional amount in cash equal to the value of all dividends and distributions made between the Grant Date and the Actual Vesting Date with respect to a number of shares of Common Stock equal to the number of Restricted Stock Units vesting on such date (the "Dividend Equivalent Amounts"). The Dividend Equivalent Amounts shall be accumulated and paid on the date on which the Restricted Stock Units to which they relate are paid.

## Stockholder Rights

Participant has no stockholder rights with respect to the Restricted Stock Units.

## Other Terms and Conditions

Are set forth in the accompanying Restricted Stock Unit Grant Terms and Conditions and the Plan.



By executing this letter below, Participant and the Company agree that the Restricted Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and this Performance-Vested Restricted Stock Unit Agreement (including this Notice of Restricted Stock Unit Award and the accompanying Restricted Stock Unit Terms and Conditions) (the "Grant Documents"). Participant hereby represents and acknowledges that he or she has been provided the opportunity to review the Plan and the Grant Documents in their entirety, and Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Grant Documents.

IN WITNESS WHEREOF, the parties have executed this Performance-Vested Restricted Stock Unit Agreement, effective as of the day and year first above written.

**GLOWPOINT, INC**

**GRANTEE**

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **Restricted Stock Unit Terms and Conditions**

The following terms and conditions apply to the Restricted Stock Units granted to Participant by the Company, as specified in the accompanying Notice of Restricted Stock Unit Award.

1. **Grant of Restricted Stock Units.** The Company has issued to Participant the Restricted Stock Units set forth above in the Notice of Restricted Stock Unit Award, effective on the Grant Date, and subject to the terms and conditions set forth in the Notice of Restricted Stock Unit Award, these Restricted Stock Unit Terms and Conditions, and the Plan (which is incorporated herein by reference).

2. **Restricted Stock Units Non-Transferable.** Restricted Stock Units (and related rights) may not be sold, assigned, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise.

3. **Vesting.** Unless otherwise provided in the Plan, Participant's Restricted Stock Units shall vest in accordance with the terms and conditions set forth in the Notice of Restricted Stock Unit Award.

4. **Payment.** Payment in respect of vested Restricted Stock Units shall be made at the time(s) and in the form(s) set forth in the Notice of Restricted Stock Unit Award.

5. **Termination of Employment; Forfeiture.** Upon the termination of Participant's continuous employment with the Company or its Subsidiaries for any reason, any Restricted Stock Units that have not vested or that are not entitled to continued vesting in accordance with Paragraph 3 and the Notice of Restricted Stock Unit Award shall immediately be forfeited. Upon forfeiture, Participant shall have no further rights with respect to such Restricted Stock Units and related Dividend Equivalent Amounts.

6. **Tax Treatment; Section 409A.** Participant may incur tax liability as a result of the receipt of Restricted Stock Units and payments thereunder. Participant should consult his or her own tax adviser for tax advice. Participant acknowledges that the Administrator, in the exercise of its sole discretion and without Participant's consent, may amend or modify the Grant Document in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A of the Code. The Company will provide Participant with notice of any such amendment or modification. This Section does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify Participant for any failure to do so.

7. **Tax Withholding.** Participant shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld upon the payment of any amounts pursuant to Participant's Restricted Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due Participant, or share withholding as described below. Participant may elect to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to Participant or (ii) by delivering to the Company shares of Common Stock already owned by Participant. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. The Fair Market Value of the shares used to satisfy the withholding obligation shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined. Shares used to satisfy any tax withholding obligation must be vested and cannot be subject to any

repurchase, forfeiture, or other similar requirements. Any election to withhold shares shall be irrevocable, made in writing, signed by Participant, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8 . Consent Relating to Personal Data. Participant, although under no obligation to do so, voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Participant, including Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("Data"). The Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Participant's participation in the Plan and the Company and/or any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. Participant authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company.

10. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Restricted Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

11 . Electronic Delivery. PARTICIPANT HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE GRANT DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO PARTICIPANT BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. PARTICIPANT ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING PARTICIPANT THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

12. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to Participant, to Participant's address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal

delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

13. Amendment. The Grant Documents may be amended by the Administrator at any time without Participant's consent if such amendment does not reduce the benefits to which Participant was entitled. In all other cases, the Grant Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

14. Relationship to Plan. Nothing in the Grant Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Grant Documents, the terms of the Plan shall prevail.

15. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Restricted Stock Unit Terms and Conditions. The invalidity or unenforceability of any provision of the Grant Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

16. Waiver. Any provision contained in the Grant Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

17. Binding Effect. The Grant Documents shall be binding upon and inure to the benefit of the Company and to Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns.

18. Rights to Employment. Nothing contained in the Grant Documents shall be construed as giving Participant any right to be retained in the employ of the Company and the Grant Documents are limited solely to governing the parties' rights and obligations with respect to the Restricted Stock Units.

19. Governing Law. The Grant Documents shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law principles thereof.

20. Company Policies to Apply. The sale of any shares of Common Stock received as payment under the Restricted Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. In addition, participation in the Plan and receipt of remuneration as a result of the Restricted Stock Units is subject in all respects to any Company compensation clawback policies that may be in effect from time to time.

21. Section 409A Compliance. The intent of the parties is that payments and benefits under these Grant Documents be exempt from Section 409A of the Code as "short-term deferrals," and the Grant Documents shall be interpreted and administered accordingly.

**Glowpoint, Inc.  
2014 Equity Incentive Plan**

**Performance-Vested Restricted Stock Unit Agreement**

Glowpoint, Inc., a Delaware corporation (the “Company”), pursuant to its 2014 Equity Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”), the restricted stock units set forth below (individually and collectively referred to as the “Restricted Stock Units”). The grant is subject to and governed by the Plan generally, and all capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

**Notice of Restricted Stock Unit Award**

Participant [\_\_\_\_\_]

Grant Date [\_\_\_\_\_]

Target Restricted Stock Units [\_\_\_\_\_]

Overview Participant shall be able to earn between [\_\_]% - [\_\_]% of the Target Restricted Stock Units based on the attainment of certain performance goals over the Measuring Periods described below.

Measuring Periods There shall be [\_\_\_\_\_] Measuring Periods, as follows: [\_\_\_\_\_].

Vesting, General Vesting, if any, shall occur at the end of each Measuring Period based upon the [\_\_\_\_\_] (defined below) and [\_\_\_\_\_] (defined below) of the Company during such Measuring Period. Except as set forth below, Participant must remain in the continuous employment of the Company from the Grant Date through the last day of the applicable Measurement Period in order to vest in Restricted Stock Units for such Measurement Period.

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Target Vesting Amounts for each Measurement Period

For each Measuring Period, the number of Restricted Stock Units that may vest shall be calculated by first dividing the total Target Restricted Stock Units by three (3) (such amount being the “Per Tranche Target”). The Per Tranche Target shall then be subdivided into amounts that shall be eligible to vest based on [ ] for the Measuring Period, and amounts that shall vest based on [ ] for the Measuring Period, by multiplying the Per Tranche Target for the Measuring Period by the following weightings:

[ ] .....[%]  
[ ] .....[%]

The Per Tranche Amount that shall be eligible to vest based on [ ] for the Measuring Period shall be known as the “[ ] Per Tranche Target.”

The Per Tranche Amount that shall be eligible to vest based on [ ] for the Measuring Period shall be known as the “[ ] Per Tranche Target.”

Amounts Vesting Per Measuring Period Based on [ ]

The number of Restricted Stock Units actually vesting at the end of each Measuring Period based on [ ] for such Measuring Period (the “[ ] Vested RSUs”) shall be equal to the [ ] Per Tranche Target for such Measuring Period *multiplied by* the “Vesting Percentage” determined in accordance with the following chart: [ ]

Amounts Vesting Per Measuring Period Based on [ ]

The number of Restricted Stock Units actually vesting at the end of each Measuring Period based on [ ] for such Measuring Period (the “[ ] Vested RSUs”) shall be equal to the [ ] Per Tranche Target for such Measuring Period *multiplied by* the “Vesting Percentage” determined in accordance with the following chart: [ ]

Total Amount Vested Per Measuring Period

The total number of Restricted Stock Units vested at the end of each Measuring Period (the “Total Vested RSUs”) shall be the sum of the [ ] Vested RSUs plus the [ ] Vested RSUs.

Vesting Determinations

The vesting results for a Measuring Period shall be certified in writing by the Administrator no later than the March 15<sup>th</sup> next following the end of such Measuring Period.

[ ] and Target [ ]

“[ ]” shall mean [ ].

“Target [ ]” for each Measuring Period shall be as follows: [ ]

[ ] and Target [ ]

“[ ]” shall mean [ ].

“Target [ ]” for each Measuring Period shall be as follows: [ ]

Special Vesting Events

Death or Disability

In the event of the termination of Participant's continuous employment with the Company on account of Participant's death or Disability, Participant shall be eligible to vest in a pro-rata number of Restricted Stock Units at the end of each Measuring Period, in an amount equal to (i) the Total Vested RSUs for such Measuring Period, *multiplied by* (ii) a fraction, (x) the numerator of which is the number of days Participant remained in continuous employment from the start of the applicable Measuring Period through the date of Participant's death or Disability, and (y) the denominator of which is the total number of days in the applicable Measuring Period. "Disability" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(4).

Change in Control

In the event of a Change in Control while Participant is in the continuous employment of the Company, Participant shall become immediately vested in a number of RSUs equal to the Per Tranche Targets for all Measuring Periods that have not yet ended as of the date of the Change in Control.

Payment

The Company shall issue to Participant one share of Common Stock for each Restricted Stock Unit that vests hereunder, with the delivery of such Common Stock to occur as soon as reasonably practicable following the certification of results for the applicable Measuring Period (or if sooner, the occurrence of a Change in Control), but in all events payment shall be made no more than seventy-four (74) days following the last day of the applicable Measuring Period (or the date of the Change in Control, if sooner).

Dividend Equivalent Right

Participant shall be entitled upon the vesting of any Restricted Stock Units to receive an additional amount in cash equal to the value of all dividends and distributions made between the Grant Date and the Actual Vesting Date with respect to a number of shares of Common Stock equal to the number of Restricted Stock Units vesting on such date (the "Dividend Equivalent Amounts"). The Dividend Equivalent Amounts shall be accumulated and paid on the date on which the Restricted Stock Units to which they relate are paid.

Stockholder Rights

Participant has no stockholder rights with respect to the Restricted Stock Units.

Other Terms and Conditions

Are set forth in the accompanying Restricted Stock Unit Grant Terms and Conditions and the Plan.

By executing this letter below, Participant and the Company agree that the Restricted Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and this Performance-Vested Restricted Stock Unit Agreement (including this Notice of Restricted Stock Unit Award and the accompanying Restricted Stock Unit Terms and Conditions) (the "Grant Documents"). Participant hereby represents and acknowledges that he or she has been provided the opportunity to review the Plan and the Grant Documents in their entirety, and Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Grant Documents.

IN WITNESS WHEREOF, the parties have executed this Performance-Vested Restricted Stock Unit Agreement, effective as of the day and year first above written.

**GLOWPOINT, INC**

**GRANTEE**

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Name, Title

Date

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Signature

Date

## Restricted Stock Unit Terms and Conditions

The following terms and conditions apply to the Restricted Stock Units granted to Participant by the Company, as specified in the accompanying Notice of Restricted Stock Unit Award.

1. Grant of Restricted Stock Units. The Company has issued to Participant the Restricted Stock Units set forth above in the Notice of Restricted Stock Unit Award, effective on the Grant Date, and subject to the terms and conditions set forth in the Notice of Restricted Stock Unit Award, these Restricted Stock Unit Terms and Conditions, and the Plan (which is incorporated herein by reference).

2. Restricted Stock Units Non-Transferable. Restricted Stock Units (and related rights) may not be sold, assigned, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise.

3. Vesting. Unless otherwise provided in the Plan, Participant's Restricted Stock Units shall vest in accordance with the terms and conditions set forth in the Notice of Restricted Stock Unit Award.

4. Payment. Payment in respect of vested Restricted Stock Units shall be made at the time(s) and in the form(s) set forth in the Notice of Restricted Stock Unit Award.

5. Termination of Employment; Forfeiture. Upon the termination of Participant's continuous employment with the Company or its Subsidiaries for any reason, any Restricted Stock Units that have not vested or that are not entitled to continued vesting in accordance with Paragraph 3 and the Notice of Restricted Stock Unit Award shall immediately be forfeited. Upon forfeiture, Participant shall have no further rights with respect to such Restricted Stock Units and related Dividend Equivalent Amounts.

6. Tax Treatment; Section 409A. Participant may incur tax liability as a result of the receipt of Restricted Stock Units and payments thereunder. Participant should consult his or her own tax adviser for tax advice. Participant acknowledges that the Administrator, in the exercise of its sole discretion and without Participant's consent, may amend or modify the Grant Document in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A of the Code. The Company will provide Participant with notice of any such amendment or modification. This Section does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify Participant for any failure to do so.

7. Tax Withholding. Participant shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld upon the payment of any amounts pursuant to Participant's Restricted Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due Participant, or share withholding as described below. Participant may elect to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to Participant or (ii) by delivering to the Company shares of Common Stock already owned by Participant. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. The Fair Market Value of the shares used to satisfy the withholding obligation shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined. Shares used to satisfy any tax withholding obligation must be vested and cannot be subject to any

repurchase, forfeiture, or other similar requirements. Any election to withhold shares shall be irrevocable, made in writing, signed by Participant, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8 . Consent Relating to Personal Data. Participant, although under no obligation to do so, voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Participant, including Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("Data"). The Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Participant's participation in the Plan and the Company and/or any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. Participant authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company.

10. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Restricted Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

11 . Electronic Delivery. PARTICIPANT HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE GRANT DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO PARTICIPANT BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. PARTICIPANT ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING PARTICIPANT THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

12. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to Participant, to Participant's address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal

delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

13. Amendment. The Grant Documents may be amended by the Administrator at any time without Participant's consent if such amendment does not reduce the benefits to which Participant was entitled. In all other cases, the Grant Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

14. Relationship to Plan. Nothing in the Grant Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Grant Documents, the terms of the Plan shall prevail.

15. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Restricted Stock Unit Terms and Conditions. The invalidity or unenforceability of any provision of the Grant Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

16. Waiver. Any provision contained in the Grant Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

17. Binding Effect. The Grant Documents shall be binding upon and inure to the benefit of the Company and to Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns.

18. Rights to Employment. Nothing contained in the Grant Documents shall be construed as giving Participant any right to be retained in the employ of the Company and the Grant Documents are limited solely to governing the parties' rights and obligations with respect to the Restricted Stock Units.

19. Governing Law. The Grant Documents shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law principles thereof.

20. Company Policies to Apply. The sale of any shares of Common Stock received as payment under the Restricted Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. In addition, participation in the Plan and receipt of remuneration as a result of the Restricted Stock Units is subject in all respects to any Company compensation clawback policies that may be in effect from time to time.

21. Section 409A Compliance. The intent of the parties is that payments and benefits under these Grant Documents be exempt from Section 409A of the Code as "short-term deferrals," and the Grant Documents shall be interpreted and administered accordingly.



## Special Vesting Events

### Termination of Continuous Employment

In the event of the termination of Participant's continuous employment by the Company without "cause" (as defined in the Plan), any unvested Restricted Stock Units shall vest in full as of the date of termination.

### Death or Disability

In the event of the termination of Participant's continuous employment with the Company on account of Participant's death or Disability, then, on the date of such termination, the Restricted Stock Units shall vest in a pro-rata number of Restricted Stock Units in an amount equal to the number of Restricted Stock Units that Participant would have been entitled to at the next vesting date had Participant's employment not terminated, multiplied by a fraction, the numerator of which shall be the number of days elapsed from the first day of such vesting period through and including the date of termination and the denominator of which shall be the total number of days in the applicable vesting period. The Restricted Stock Units that have not vested pursuant to the foregoing sentence, if any, shall be forfeited. "Disability" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(4).

### Change in Control

In the event of a Change in Control while Participant is in the continuous employment of the Company, any unvested Restricted Stock Units shall vest in full immediately prior to such Change in Control.

## Payment

The Company shall issue to Participant one share of Common Stock for each Restricted Stock Unit that vests hereunder, with the delivery of such Common Stock to occur as soon as reasonably practicable following, and in no event more than thirty (30) days following, the date on which vesting occurred (any such date on which vesting occurs being an "Actual Vesting Date").

## Dividend Equivalent Right

Restricted Stock Units shall have related dividend equivalent rights, which shall entitle Participant upon the vesting of Restricted Stock Units to receive an additional amount in cash equal to the value of all dividends and distributions made between the Grant Date and the Actual Vesting Date with respect to a number of shares of Common Stock equal to the number of Restricted Stock Units vesting on such date (the "Dividend Equivalent Amounts"). The Dividend Equivalent Amounts shall be accumulated and paid as soon as reasonably practicable following, and in no event more than thirty (30) days following, the Actual Vesting Date of the Restricted Stock Units to which they relate. In the event the related Restricted Stock Units are forfeited, the accumulated Dividend Equivalent Amounts will also be forfeited.

## Stockholder Rights

Participant has no stockholder rights with respect to the Restricted Stock Units.

## Other Terms and Conditions

Are set forth in the accompanying Restricted Stock Unit Grant Terms and Conditions and the Plan.



By executing this letter below, Participant and the Company agree that the Restricted Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and this Time-Vested Restricted Stock Unit Agreement (including this Notice of Restricted Stock Unit Award and the accompanying Restricted Stock Unit Terms and Conditions) (the "Grant Documents"). Participant hereby represents and acknowledges that he or she has been provided the opportunity to review the Plan and the Grant Documents in their entirety, and Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Grant Documents.

IN WITNESS WHEREOF, the parties have executed this Time-Vested Restricted Stock Unit Agreement, effective as of the day and year first above written.

**GLOWPOINT, INC**

**GRANTEE**

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Name, Title

Date

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Signature

Date

## Restricted Stock Unit Terms and Conditions

The following terms and conditions apply to the Restricted Stock Units granted to Participant by the Company, as specified in the accompanying Notice of Restricted Stock Unit Award.

1 . Grant of Restricted Stock Units. The Company has issued to Participant the number of Restricted Stock Units set forth above in the Notice of Restricted Stock Unit Award, effective on the Grant Date, and subject to the terms and conditions set forth in the Notice of Restricted Stock Unit Award, these Restricted Stock Unit Terms and Conditions, and the Plan (which is incorporated herein by reference).

2 . Restricted Stock Units Non-Transferable. Restricted Stock Units (and related rights) may not be sold, assigned, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise.

3 . Vesting. Unless otherwise provided in the Plan, Participant's Restricted Stock Units shall vest in accordance with the Vesting Schedule and/or upon the Special Vesting Events set forth in the Notice of Restricted Stock Unit Award.

4 . Payment. Payment in respect of vested Restricted Stock Units shall be made at the time(s) and in the form(s) set forth in the Notice of Restricted Stock Unit Award.

5 . Termination of Employment; Forfeiture. Upon the termination of Participant's continuous employment with the Company or its Subsidiaries for any reason, any Restricted Stock Units that do not or have not vested in accordance with Paragraph 3 and the Notice of Restricted Stock Unit Award shall immediately be forfeited. Upon forfeiture, Participant shall have no further rights with respect to such Restricted Stock Units and related Dividend Equivalent Amounts.

6 . Tax Treatment; Section 409A. Participant may incur tax liability as a result of the receipt of Restricted Stock Units and payments thereunder. Participant should consult his or her own tax adviser for tax advice. Participant acknowledges that the Administrator, in the exercise of its sole discretion and without Participant's consent, may amend or modify the Grant Document in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A of the Code. The Company will provide Participant with notice of any such amendment or modification. This Section does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify Participant for any failure to do so.

7 . Tax Withholding. Participant shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld upon the payment of any amounts pursuant to Participant's Restricted Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due Participant, or share withholding as described below. Participant may elect to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to Participant or (ii) by delivering to the Company shares of Common Stock already owned by Participant. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. The Fair Market Value of the shares used to satisfy the withholding obligation

shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined. Shares used to satisfy any tax withholding obligation must be vested and cannot be subject to any repurchase, forfeiture, or other similar requirements. Any election to withhold shares shall be irrevocable, made in writing, signed by Participant, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8 . Consent Relating to Personal Data. Participant, although under no obligation to do so, voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Participant, including Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("Data"). The Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Participant's participation in the Plan and the Company and/or any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. Participant authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company.

10. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Restricted Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

11 . Electronic Delivery. PARTICIPANT HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE GRANT DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO PARTICIPANT BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. PARTICIPANT ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING PARTICIPANT THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

12. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to Participant, to Participant's address now on file with the Company, or to such other address as either may designate in

writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

13. Amendment. The Grant Documents may be amended by the Administrator at any time without Participant's consent if such amendment does not reduce the benefits to which Participant was entitled. In all other cases, the Grant Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

14. Relationship to Plan. Nothing in the Grant Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Grant Documents, the terms of the Plan shall prevail.

15. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Restricted Stock Unit Terms and Conditions. The invalidity or unenforceability of any provision of the Grant Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

16. Waiver. Any provision contained in the Grant Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

17. Binding Effect. The Grant Documents shall be binding upon and inure to the benefit of the Company and to Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns.

18. Rights to Employment. Nothing contained in the Grant Documents shall be construed as giving Participant any right to be retained in the employ of the Company and the Grant Documents are limited solely to governing the parties' rights and obligations with respect to the Restricted Stock Units.

19. Governing Law. The Grant Documents shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law principles thereof.

20. Company Policies to Apply. The sale of any shares of Common Stock received as payment under the Restricted Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. In addition, participation in the Plan and receipt of remuneration as a result of the Restricted Stock Units is subject in all respects to any Company compensation clawback policies that may be in effect from time to time.

21. Section 409A Compliance. The intent of the parties is that payments and benefits under these Grant Documents be exempt from Section 409A of the Code as "short-term deferrals," and the Grant Documents shall be interpreted and administered accordingly.

Glowpoint, Inc.  
2014 Equity Incentive Plan

**Time-Vested Restricted Stock Unit Agreement**

Glowpoint, Inc., a Delaware corporation (the “Company”), pursuant to its 2014 Equity Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”), the restricted stock units set forth below (individually and collectively referred to as the “Restricted Stock Units”). The grant is subject to and governed by the Plan generally, and all capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

**Notice of Restricted Stock Unit Award**

Participant [ ]

Grant Date [ ]

Number of Restricted Stock Units [ ]

Vesting Schedule Except as set forth below, the Restricted Stock Units will vest in accordance with the following schedule, provided Participant remains in the continuous employment of the Company or its Subsidiaries from the Grant Date to the applicable “Scheduled Vesting Date” set forth below:

The Administrator shall determine in its discretion whether and when Participant’s continuous employment with the Company or its Subsidiaries has ended (including as a result of any leave of absence).



## Special Vesting Events

### Death or Disability

In the event of the termination of Participant's continuous employment with the Company on account of Participant's death or Disability, then, on the date of such termination, the Restricted Stock Units shall vest in a pro-rata number of Restricted Stock Units in an amount equal to the number of Restricted Stock Units that Participant would have been entitled to at the next vesting date had Participant's employment not terminated, multiplied by a fraction, the numerator of which shall be the number of days elapsed from the first day of such vesting period through and including the date of termination and the denominator of which shall be the total number of days in the applicable vesting period. The Restricted Stock Units that have not vested pursuant to the foregoing sentence, if any, shall be forfeited. "Disability" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(4).

### Change in Control

In the event of a Change in Control while Participant is in the continuous employment of the Company, any unvested Restricted Stock Units shall vest in full immediately prior to such Change in Control.

## Payment

The Company shall issue to Participant one share of Common Stock for each Restricted Stock Unit that vests hereunder, with the delivery of such Common Stock to occur as soon as reasonably practicable following, and in no event more than thirty (30) days following, the date on which vesting occurred (any such date on which vesting occurs being an "Actual Vesting Date").

## Dividend Equivalent Right

Restricted Stock Units shall have related dividend equivalent rights, which shall entitle Participant upon the vesting of Restricted Stock Units to receive an additional amount in cash equal to the value of all dividends and distributions made between the Grant Date and the Actual Vesting Date with respect to a number of shares of Common Stock equal to the number of Restricted Stock Units vesting on such date (the "Dividend Equivalent Amounts"). The Dividend Equivalent Amounts shall be accumulated and paid as soon as reasonably practicable following, and in no event more than thirty (30) days following, the Actual Vesting Date of the Restricted Stock Units to which they relate. In the event the related Restricted Stock Units are forfeited, the accumulated Dividend Equivalent Amounts will also be forfeited.

## Stockholder Rights

Participant has no stockholder rights with respect to the Restricted Stock Units.

## Other Terms and Conditions

Are set forth in the accompanying Restricted Stock Unit Grant Terms and Conditions and the Plan.

By executing this letter below, Participant and the Company agree that the Restricted Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and this Time-Vested Restricted Stock Unit Agreement (including this Notice of Restricted Stock Unit Award and the accompanying Restricted Stock Unit Terms and Conditions) (the "Grant Documents"). Participant hereby represents and acknowledges that he or she has been provided the opportunity to review the Plan and the Grant Documents in their entirety, and Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Grant Documents.

IN WITNESS WHEREOF, the parties have executed this Time-Vested Restricted Stock Unit Agreement, effective as of the day and year first above written.

**GLOWPOINT, INC**

**GRANTEE**

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Name, Title

Date

---

Signature

Date

## Restricted Stock Unit Terms and Conditions

The following terms and conditions apply to the Restricted Stock Units granted to Participant by the Company, as specified in the accompanying Notice of Restricted Stock Unit Award.

1 . Grant of Restricted Stock Units. The Company has issued to Participant the number of Restricted Stock Units set forth above in the Notice of Restricted Stock Unit Award, effective on the Grant Date, and subject to the terms and conditions set forth in the Notice of Restricted Stock Unit Award, these Restricted Stock Unit Terms and Conditions, and the Plan (which is incorporated herein by reference).

2 . Restricted Stock Units Non-Transferable. Restricted Stock Units (and related rights) may not be sold, assigned, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise.

3 . Vesting. Unless otherwise provided in the Plan, Participant's Restricted Stock Units shall vest in accordance with the Vesting Schedule and/or upon the Special Vesting Events set forth in the Notice of Restricted Stock Unit Award.

4 . Payment. Payment in respect of vested Restricted Stock Units shall be made at the time(s) and in the form(s) set forth in the Notice of Restricted Stock Unit Award.

5 . Termination of Employment; Forfeiture. Upon the termination of Participant's continuous employment with the Company or its Subsidiaries for any reason, any Restricted Stock Units that do not or have not vested in accordance with Paragraph 3 and the Notice of Restricted Stock Unit Award shall immediately be forfeited. Upon forfeiture, Participant shall have no further rights with respect to such Restricted Stock Units and related Dividend Equivalent Amounts.

6 . Tax Treatment; Section 409A. Participant may incur tax liability as a result of the receipt of Restricted Stock Units and payments thereunder. Participant should consult his or her own tax adviser for tax advice. Participant acknowledges that the Administrator, in the exercise of its sole discretion and without Participant's consent, may amend or modify the Grant Document in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A of the Code. The Company will provide Participant with notice of any such amendment or modification. This Section does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify Participant for any failure to do so.

7 . Tax Withholding. Participant shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld upon the payment of any amounts pursuant to Participant's Restricted Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due Participant, or share withholding as described below. Participant may elect to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to Participant or (ii) by delivering to the Company shares of Common Stock already owned by Participant. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. The Fair Market Value of the shares used to satisfy the withholding obligation

shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined. Shares used to satisfy any tax withholding obligation must be vested and cannot be subject to any repurchase, forfeiture, or other similar requirements. Any election to withhold shares shall be irrevocable, made in writing, signed by Participant, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8 . Consent Relating to Personal Data. Participant, although under no obligation to do so, voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Participant, including Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("Data"). The Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of Participant's participation in the Plan and the Company and/or any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. Participant authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company.

10. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Restricted Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

11 . Electronic Delivery. PARTICIPANT HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE GRANT DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO PARTICIPANT BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. PARTICIPANT ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING PARTICIPANT THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

12. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to Participant, to Participant's address now on file with the Company, or to such other address as either may designate in

writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

13. Amendment. The Grant Documents may be amended by the Administrator at any time without Participant's consent if such amendment does not reduce the benefits to which Participant was entitled. In all other cases, the Grant Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

14. Relationship to Plan. Nothing in the Grant Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Grant Documents, the terms of the Plan shall prevail.

15. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Restricted Stock Unit Terms and Conditions. The invalidity or unenforceability of any provision of the Grant Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

16. Waiver. Any provision contained in the Grant Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

17. Binding Effect. The Grant Documents shall be binding upon and inure to the benefit of the Company and to Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns.

18. Rights to Employment. Nothing contained in the Grant Documents shall be construed as giving Participant any right to be retained in the employ of the Company and the Grant Documents are limited solely to governing the parties' rights and obligations with respect to the Restricted Stock Units.

19. Governing Law. The Grant Documents shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law principles thereof.

20. Company Policies to Apply. The sale of any shares of Common Stock received as payment under the Restricted Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. In addition, participation in the Plan and receipt of remuneration as a result of the Restricted Stock Units is subject in all respects to any Company compensation clawback policies that may be in effect from time to time.

21. Section 409A Compliance. The intent of the parties is that payments and benefits under these Grant Documents be exempt from Section 409A of the Code as "short-term deferrals," and the Grant Documents shall be interpreted and administered accordingly.

**Glowpoint, Inc.**  
**2014 Equity Incentive Plan**

**Director Restricted Stock Unit Agreement**

Glowpoint, Inc., a Delaware corporation (the "Company"), pursuant to its 2014 Equity Incentive Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below ("Participant"), the restricted stock units set forth below (individually and collectively referred to as the "Restricted Stock Units"). The grant is subject to and governed by the Plan generally, and all capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

**Notice of Restricted Stock Unit Award**

Participant [\_\_\_\_\_]

Grant Date [\_\_\_\_\_]

Number of Restricted Stock Units [\_\_\_\_\_]

Vesting Schedule Except as set forth below, the Restricted Stock Units will vest in accordance with the following schedule, provided Participant remains a member of the Board from the Grant Date to the "Scheduled Vesting Date" set forth below:

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Termination of Continuous Service.

In the event Participant ceases to be a member of the Board for any of the reasons set forth below, any unvested Restricted Stock Units shall vest in full as of the date of such cessation of Board service:

- (1) the termination of Participant's service on the Board as a result of not being nominated for reelection by the Board;
- (2) the termination of Participant's service on the Board because Participant doesn't stand for reelection as a result of the Company's stockholders not reasonably being expected to reelect the Participant;
- (3) the termination of Participant's service on the Board because Participant, although nominated for reelection by the Board, is not reelected by the Company's stockholders;
- (4) the termination of Participant's service on the Board because of (i) Participant's resignation at the request of the Nominating Committee of the Board (or successor committee), or (ii) Participant's removal by action of the stockholders or by the Board (in each case other than as a result of Participant's misconduct); or
- (5) the termination of Participant's service on the Board because of death or disability.

Change in Control

In the event of a Change in Control while Participant is a member of the Board, any unvested Restricted Stock Units shall vest in full immediately prior to such Change in Control.

Payment

The Company shall issue to Participant one share of Common Stock for each Restricted Stock Unit that vests hereunder, with the delivery of such Common Stock to occur as soon as reasonably practicable following, and in no event more than thirty (30) days following, the earlier of (a) the tenth anniversary of the Grant Date, (b) a 409A Change in Control and (c) the date on which Participant has a "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)) with respect to Participant's Board service (any such date on which delivery occurs being a "Delivery Date"). For purposes of this paragraph, a "409A Change in Control" shall mean a Change in Control that also qualifies as a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

Dividend Equivalent Rights	Restricted Stock Units shall have related dividend equivalent rights, which shall entitle Participant on the Delivery Date to receive an additional amount in cash equal to the value of all dividends and distributions made between the Grant Date and the Delivery Date with respect to a number of shares of Common Stock equal to the number of Restricted Stock Units delivered on such date (the " <u>Dividend Equivalent Amounts</u> "). The Dividend Equivalent Amounts shall be accumulated and paid as soon as reasonably practicable following, and in no event more than thirty (30) days following, the Delivery Date of the Restricted Stock Units to which they relate. In the event the related Restricted Stock Units are forfeited, the accumulated Dividend Equivalent Amounts will also be forfeited.
Stockholder Rights	Participant has no stockholder rights with respect to the Restricted Stock Units.
Other Terms and Conditions	Are set forth in the accompanying Restricted Stock Unit Grant Terms and Conditions and the Plan.

By executing this letter below, Participant and the Company agree that the Restricted Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and this Director Restricted Stock Unit Agreement (including this Notice of Restricted Stock Unit Award and the accompanying Restricted Stock Unit Terms and Conditions) (the "Grant Documents"). Participant hereby represents and acknowledges that he or she has been provided the opportunity to review the Plan and the Grant Documents in their entirety, and Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Grant Documents.

IN WITNESS WHEREOF, the parties have executed this Director Restricted Stock Unit Agreement, effective as of the day and year first above written.

**GLOWPOINT, INC**

**GRANTEE**

\_\_\_\_\_  
Name, Title                      Date

\_\_\_\_\_  
Signature                                      Date

## Restricted Stock Unit Terms and Conditions

The following terms and conditions apply to the Restricted Stock Units granted to Participant by the Company, as specified in the accompanying Notice of Restricted Stock Unit Award.

1 . Grant of Restricted Stock Units. The Company has issued to Participant the number of Restricted Stock Units set forth above in the Notice of Restricted Stock Unit Award, effective on the Grant Date, and subject to the terms and conditions set forth in the Notice of Restricted Stock Unit Award, these Restricted Stock Unit Terms and Conditions, and the Plan (which is incorporated herein by reference).

2 . Restricted Stock Units Non-Transferable. Restricted Stock Units (and related rights) may not be sold, assigned, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise.

3 . Vesting. Unless otherwise provided in the Plan, Participant's Restricted Stock Units shall vest in accordance with the Vesting Schedule and/or upon the Special Vesting Events set forth in the Notice of Restricted Stock Unit Grant.

4 . Payment. Payment in respect of vested Restricted Stock Units shall be made at the time(s) and in the form(s) set forth in the Notice of Restricted Stock Unit Grant.

5 . Termination of Service; Forfeiture. Upon the termination of Participant's service on the Board for any reason, any Restricted Stock Units that do not or have not vested in accordance with Paragraph 3 and the Notice of Restricted Stock Unit Award shall immediately be forfeited. Upon forfeiture, Participant shall have no further rights with respect to such Restricted Stock Units and related Dividend Equivalent Amounts.

6 . Tax Treatment; Section 409A. Participant may incur tax liability as a result of the receipt of Restricted Stock Units and payments thereunder. Participant should consult his or her own tax adviser for tax advice. Participant acknowledges that the Administrator, in the exercise of its sole discretion and without Participant's consent, may amend or modify the Grant Document in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A of the Code. The Company will provide Participant with notice of any such amendment or modification. This Section does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify Participant for any failure to do so.

7 . Reserved.

8 . Consent Relating to Personal Data. Participant, although under no obligation to do so, voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 8. The Company and its subsidiaries hold, for the purpose of managing and administering the Plan, certain personal information about Participant, including Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("Data"). The Company and/or its Subsidiaries will

transfer Data among themselves as necessary for the purpose of implementation, administration and management of Participant's participation in the Plan and the Company and/or any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located throughout the world, including the United States. Participant authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company.

10. Reserved.

11. Electronic Delivery. PARTICIPANT HEREBY CONSENTS TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE GRANT DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO PARTICIPANT BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. PARTICIPANT ACKNOWLEDGES THAT HE OR SHE IS ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING PARTICIPANT THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION.

12. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to Participant, to Participant's address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

13. Amendment. The Grant Documents may be amended by the Administrator at any time without Participant's consent if such amendment does not reduce the benefits to which Participant was entitled. In all other cases, the Grant Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

14. Relationship to Plan. Nothing in the Grant Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Grant Documents, the terms of the Plan shall prevail.

15. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Restricted Stock Unit Terms and Conditions. The invalidity or unenforceability of any provision of the Grant Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

16. Waiver. Any provision contained in the Grant Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

17. Binding Effect. The Grant Documents shall be binding upon and inure to the benefit of the Company and to Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns.

18. Rights to Service. Nothing contained in the Grant Documents shall be construed as giving Participant any right to be retained in the service of the Company and the Grant Documents are limited solely to governing the parties' rights and obligations with respect to the Restricted Stock Units.

19. Governing Law. The Grant Documents shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice of law principles thereof.

20. Company Policies to Apply. The sale of any shares of Common Stock received as payment under the Restricted Stock Units is subject to the Company's policies regulating securities trading by directors, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. In addition, participation in the Plan and receipt of remuneration as a result of the Restricted Stock Units is subject in all respects to any Company compensation clawback policies that may be in effect from time to time.

21. Section 409A Compliance. The intent of the parties is that payments and benefits under these Grant Documents comply with the requirements of Section 409A of the Code, and the Grant Documents shall be interpreted and administered accordingly.

**FIRST AMENDMENT TO LOAN AGREEMENT**

THIS FIRST AMENDMENT TO LOAN AGREEMENT, dated as of February 27, 2015 (this "**Amendment**"), by and among GLOWPOINT, INC., a Delaware corporation (the "**Company**"), and each of the Company's Subsidiaries (each, a "**Borrower**" and collectively, "**Borrowers**"), Main Street Capital Corporation, a Maryland corporation ("**MSCC**", and together with its successors and assigns, individually and collectively, "**Lender**"), and MSCC, as administrative agent and collateral agent for itself and Lender (in such capacity, "**Agent**") and with respect to that certain Loan Agreement, dated as of October 17, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Loan Agreement**"), by and among the Company and each of the other Borrowers, Lender and Agent.

## WITNESSETH:

**WHEREAS**, Agent, Lender and Borrowers desire to amend the Loan Agreement as provided herein upon the terms and conditions set forth herein; and

**WHEREAS**, Lender has agreed to amend the Loan Agreement subject to the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, Borrowers, Agent and Lender hereby agree as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Loan Agreement, as amended by this Amendment, shall have their defined meanings when used herein.

2. Amendments to Loan Agreement. Subject to the terms hereof and upon satisfaction of the conditions set forth in Section 4 hereof, effective as of the First Amendment Effective Date (defined below):

(a) Amended Definitions. Section 1.1 of the Loan Agreement shall be and hereby is amended to amend and restate each of the following definitions in their entirety to read as follows:

**Debt Service** means, when determined, without duplication, the *sum* of (a) the principal amount of all Funded Debt scheduled to be paid during the forward 12-month period (other than the current portion of the SRS Note due in the 12 months prior to the maturity date thereof), *plus* (b) the Unscheduled SRS Note Payments, *plus* (c) Interest Expense paid during the most recently completed 12-month period (excluding interest paid on the SRS Note on or prior to March 1, 2015).

**EBITDA** means, without duplication, for any period, Borrowers' Net Income for such period *plus*, in each case, to the extent deducted in the calculation of Net Income:

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(a) GAAP depreciation, amortization (including deferred financing costs amortization expense), Interest Expense and income taxes, *minus*

(b) interest income, *plus*

(c) any non-cash compensation charges pursuant to equity incentive plans approved by the Board of Directors, *plus*

(d) any non-cash charges (or minus non-cash income) as approved by Lender in writing (including, without limitation, asset impairment charges taken during (x) the fiscal year ending December 31, 2013 in an aggregate amount not to exceed \$1,250,000, (y) the fiscal year ending December 31, 2014 in an aggregate amount not to exceed \$2,500,000 (of which at least \$1,500,000 is related to intangible assets recorded in connection with the acquisition of Affinity VideoNet, Inc.) and (z) any fiscal year ending thereafter, in an aggregate amount not to exceed \$500,000, in each case, unless otherwise approved by Lender); *plus*

(e) non-recurring charges related to severance costs incurred during (x) the fiscal year ended December 31, 2012 in an aggregate amount not to exceed \$50,000, (y) the fiscal year ending December 31, 2013 in an aggregate amount not to exceed \$1,250,000, and (z) any fiscal year ending thereafter, in an aggregate amount not to exceed \$500,000, in each case, unless otherwise approved by Lender; *plus*

(f) non-recurring charges related to acquisition costs incurred during the fiscal year ended December 31, 2012 and the fiscal year ending December 31, 2013, in an aggregate amount not to exceed \$450,000, unless otherwise approved by Lender.

EBITDA for any period shall (i) exclude "EBITDA" on a pro forma basis for such period of each Person (or business unit, division or group of such Person) which is sold, transferred or otherwise disposed of by a Borrower during such period, (ii) exclude any Key Man Life Insurance proceeds and (iii) not include "EBITDA" on a pro forma basis for such period of each Person (or business unit, division or group of such Person) acquired by a Borrower during such period.

**Fixed Charge Coverage Ratio** means, when determined, the ratio of (a) for the most recently completed 12-month period, EBITDA *plus* the net cash proceeds of any NJ NOL Disposition received during such period *plus* the net cash proceeds of Junior Capital Raises received during such period, solely to the extent such net cash proceeds were not used to repay or prepay the Principal Debt *minus* Capital Expenditures and cash Taxes and any Cash Distributions and any payments for the redemption of Equity Securities or for the prepayment of any Subordinated Debt to (b) Debt Service.

**Funded Debt to EBITDA Ratio** means, when determined, the ratio of (a) the result of (i) Borrowers' Funded Debt less (ii) Borrowers' unrestricted cash on hand as of such date

of determination, less (iii) Borrowers' restricted cash pledged to support letters of credit, to the extent such letters of credit and corresponding liens are permitted hereunder, less (iv) so long as no cash payment of principal in excess of \$200,000 has been required to be paid on the Debt outstanding under the SRS Note during the most recently completed 12-month period and no payment of cash interest has been required to be paid on the Debt outstanding under the SRS Note in each of the four months in the most recently completed four month period, the principal amount outstanding under the SRS Note as of such date, to (b) the sum of (i) Borrowers' EBITDA for the most recently completed 12-month period, (ii) the net cash proceeds of any NJ NOL Disposition received during such period and (iii) the net cash proceeds of Junior Capital Raises received during such period, solely to the extent such net cash proceeds were not used to repay or prepay the Principal Debt; provided, however, that for the purposes of this definition, (A) as of the last day of the first fiscal quarter ending after the consummation of the acquisition by a Borrower of any Person (or business unit, division, or group of any Person), Funded Debt shall be deemed to include only one-quarter (1/4) of the Acquisition Debt related to such acquisition, (B) as of the last day of the second fiscal quarter ending after the consummation of the acquisition by a Borrower of any Person (or business unit, division, or group of any Person), Funded Debt shall be deemed to include only one-half (1/2) of the Acquisition Debt related to such acquisition, (C) as of the last day of the third fiscal quarter ending after the consummation of the acquisition by a Borrower of any Person (or business unit, division, or group of any Person), Funded Debt shall be deemed to include only three-quarters (3/4) of the Acquisition Debt related to such acquisition and (D) as of the last day of the fourth fiscal quarter ending after the consummation of the acquisition by a Borrower of any Person (or business unit, division, or group of any Person), Funded Debt shall include all of the Acquisition Debt related to such acquisition.

**SRS Note** means that certain unsecured, subordinated Third Amended and Restated Nonnegotiable Promissory Note dated February 27, 2015, made by the Company and payable to SRS in the principal amount of \$1,784,692.48, and all renewals, increases, modifications, amendments, supplements, restatements and replacements of, or substitutions for, that promissory note to the extent permitted by this Agreement.

(b) New Definitions. Section 1.1 of the Loan Agreement shall be and hereby is amended to insert the following new definitions in correct alphabetical order:

**Acquisition Debt** means the aggregate principal amount of Funded Debt incurred or assumed in connection with the acquisition by a Borrower of any Person (or business unit, division or group of any Person), in each case, as of the date of such acquisition.

**Junior Capital Raise** means (a) the issuance of any Equity Securities to the extent permitted under this Agreement which (i) are on terms satisfactory to Lender, (ii) do not require cash payment of any dividend or distribution or any redemption prior to the payment in full of the Obligation, and (iii) the proceeds of which are not used to fund acquisitions or repay any Debt (other than the Principal Debt) and (b) the incurrence of unsecured Subordinated Debt, to the extent constituting Permitted Debt, which (i) is contractually

subordinated to the Obligation on terms satisfactory to Lender, (ii) does not require any cash payment of principal, interest or any other fees or expenses, in each case prior to the date that is six (6) months after the later of the Term Loan Maturity Date or the Revolving Loan Maturity Date, and (iii) the proceeds of which are not used to fund acquisitions or repay any Debt (other than the Principal Debt).

**NJ NOL Disposition** means the disposition of any net operating loss of any Borrower or any Subsidiary for New Jersey tax purposes pursuant to the New Jersey Technology Business Tax Certificate Transfer Program.

**SRS** means Shareholder Representative Services, LLC, a Colorado limited liability company.

**Unscheduled SRS Note Payments** means, when determined, without duplication, the sum of (a) the product of (x) the amount of all principal payments in respect of the SRS Note payable pursuant to Section 1(c)(i) thereof paid during the most recently completed 3-month period and (y) four (4) and (b) the product of (x) the greater of (i) the amount of any principal payment in respect of the SRS Note pursuant to Section 1(c)(ii) thereof payable during the forthcoming 6-month period and (ii) the amount of any principal payment in respect of the SRS Note pursuant to Section 1(c)(ii) thereof paid during the most recently completed 6-month period and (y) two (2).

(c) Mandatory Prepayments. Section 2.4(c) of the Loan Agreement shall be and hereby is amended and restated to read in its entirety as follows:

(c) At Agent's election, the following amounts may either be applied to the Obligation in accordance with **Section 3.3** or retained by the applicable Borrower:

(i) all Net Proceeds from the disposition of any asset whether or not permitted by **Section 9.9** (other than dispositions permitted under **Section 9.9(a), (b), (c)** or **(g)**);

(ii) fifty percent (50%) of all Net Proceeds from any disposition permitted under **Section 9.9(g)**; and

(iii) all Insurance Proceeds (**other than business interruption insurance proceeds**) and Eminent Domain Proceeds that relate to any Borrower's assets and that Lender is entitled to receive under **Section 8.12** (other than Insurance Proceeds used to restore or replace assets of any Borrower as permitted under **Section 8.12(c)**).

(d) Asset Dispositions. Section 9.9 of the Loan Agreement shall be and hereby is amended and restated to read in its entirety as follows:

9.9 Sale of Assets. No Borrower may sell, assign, lease, transfer, or otherwise dispose of any of its assets, other than (a) sales of inventory in the ordinary course of business,

(b) the sale, discount, or transfer of its delinquent accounts receivable in the ordinary course of business for purposes of collection, (c) dispositions of assets from one Borrower to another, (d) occasional dispositions of immaterial assets for consideration not less than fair market value, and dispositions of assets that are worn-out, surplus or obsolete, (e) non-exclusive licenses and similar arrangements for the use of intellectual property in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discrete geographical areas outside of the United States in the ordinary course of business; provided that such licenses or other arrangements are in exchange for consideration not less than fair market value, (f) to the extent permitted by **Section 9.6**, and (g) any NJ NOL Disposition for cash proceeds of not less than 80% of the tax benefit represented by such net operating loss. All dispositions by a Borrower of its assets, whether or not permitted by this **Section 9.9**, are subject to **Section 2.4**. All Net Proceeds shall be cash Net Proceeds unless approved by Lender in advance. The non-cash portion of all Net Proceeds shall be pledged to Agent as Borrower Collateral concurrently with the applicable disposition.

(e) Issuance and Ownership of Equity Securities. Section 9.15 of the Loan Agreement shall be and hereby is amended and restated to read in its entirety as follows:

9.15 Issuance and Ownership of Equity Securities. No Borrower may (a) issue any Equity Securities, or (b) buy, sell, pledge, transfer or otherwise dispose of any Equity Securities of any other Borrower, except to Lender or as otherwise expressly permitted under the Loan Documents; *provided that* the Company may (i) sell or buy Equity Securities of other Borrowers to or from any Borrower and (ii) so long as no Default or Potential Default exists or would, after giving pro forma effect thereto, result from any such issuance, issue Equity Securities of the Company (A) in an aggregate amount not in excess of \$20,000,000 pursuant to an effective shelf registration statement of the Company, or (B) under the Company's 2014 Equity Incentive Plan or any successor or supplemental equity incentive plan approved by the Company's stockholders.

(f) Capital Expenditures. Section 9.17 of the Loan Agreement shall be and hereby is amended and restated to read in its entirety as follows:

9.17 Capital Expenditures. No Borrower shall make or incur any Capital Expenditures if, after giving effect thereto, the aggregate amount of all Capital Expenditures made by Borrowers would exceed (a) \$2,250,000 in each of the fiscal years ending December 31, 2014, 2015 and 2016, and (c) \$1,500,000 in any fiscal year ending thereafter.

(g) Financial Covenants. Section 10 of the Loan Agreement shall be and hereby is amended and restated to read in its entirety as follows:

**Section 10 Financial Covenants.**

Each Borrower, on behalf of itself and its Subsidiaries, covenants jointly and severally that, except with the prior written consent of Agent and Lender, for so long as all or any portion of the Loans or any other Obligation remains outstanding:

10.1 Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio may not at any time be less than the ratio set out below for the applicable period:

- (i) Closing Date through December 31, 2014 1.5 to 1.00
- (ii) January 1, 2015 through June 30, 2015 1.25 to 1.00
- (iii) July 1, 2015 through December 31, 2015 0.85 to 1.00
- (iv) January 1, 2016 through March 31, 2016 1.00 to 1.00
- (v) April 1, 2016 through June 30, 2016 1.25 to 1.00
- (vi) July 1, 2016 through December 31, 2016 1.50 to 1.00
- (vii) Thereafter 3.50 to 1.00

10.2 Funded Debt to EBITDA Ratio. The Funded Debt to EBITDA Ratio may not at any time exceed the ratio set out below for the applicable period:

- (i) Closing Date through September 30, 2014 3.75 to 1.00
- (ii) October 1, 2014 through December 31, 2014 3.50 to 1.00
- (iii) January 1, 2015 through June 30, 2015 3.25 to 1.00
- (iv) July 1, 2015 through March 31, 2016 3.75 to 1.00
- (v) April 1, 2016 through September 30, 2016 3.50 to 1.00
- (vi) October 1, 2016 through December 31, 2016 3.00 to 1.00
- (vii) Thereafter 2.00 to 1.00

Each of the covenants in this **Section 10** shall be tested on a quarterly basis as of the last day of each fiscal quarter of Borrowers.

3. Representations and Warranties. In order to induce Agent and Lender to enter into this Amendment, Borrowers hereby (a) represent and warrant that (i) the representations and warranties of Borrowers contained in the Loan Agreement (as amended by this Amendment) and the other Loan Documents (as amended by this Amendment) are true and correct in all material respects on and as of the date hereof, except to the extent such representations and warranties speak to a specific date, in which case such representations and warranties were true and correct in all respects as of such specific date, and (ii) no Default or Potential Default, has occurred and is

continuing; (b) ratify and reaffirm their respective obligations under, and acknowledge, renew and extend their continued liability under the Loan Agreement and each other Loan Document to which they are party; (c) grant (or regrant) a security interest in the Collateral to Agent, for the ratable benefit of Agent and Lender, and ratify and reaffirm all of the Liens in favor of Agent, for the ratable benefit of Agent and Lender, securing the payment and performance of the Obligation; and (d) acknowledge and agree that the Loan Agreement and each of the other Loan Documents are hereby ratified and confirmed in all respects and shall remain in full force and effect.

4. Conditions to Effectiveness. This Amendment shall be effective on the date when each of the following conditions shall have occurred (the "**First Amendment Effective Date**"):

(a) Agent and Lender shall have executed this Amendment and shall have received counterparts hereof, duly executed and delivered by each Borrower;

(i) Agent shall have received each fully executed, true, correct and complete copy of the executed SRS Note (as defined in the Loan Agreement as amended by this Amendment) in Proper Form;

(b) Each of the following has been completed, satisfied, or is true and correct as of such date:

(i) all of the representations and warranties of Borrowers in the Loan Documents (as amended by this Amendment) are true and correct in all material respects (except to the extent that the representations and warranties speak to a specific date, in which case they are true and correct in all respects as of such specific date);

(ii) no Material Adverse Event exists;

(iii) no Litigation exists that, if decided against any of Borrowers, could reasonably be expected to result in a material claim against any Borrower or otherwise to result in a Material Adverse Event; and

(iv) no Default or Potential Default exists.

(c) Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as Agent or its counsel may reasonably request, and all such documents shall be in form and substance satisfactory to Agent; and

(d) Borrowers shall have paid all reasonable fees and expenses of Agent's counsel, Norton Rose Fulbright US LLP, in connection with the preparation and negotiation of this Amendment which are owing to date.

5. Reference to Loan Agreement. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," or words of like or similar import shall mean and be a reference to the Loan Agreement, as modified and amended by this Amendment.

6. Governing Law and Jurisdiction. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

7. Expenses. Borrowers agree to pay and reimburse Agent and each Lender for all reasonable costs, fees and expenses incurred in connection with the negotiation, preparation, delivery and execution of this Amendment, including, without limitation, the reasonable fees and disbursements of Agent's and each Lender's counsel.

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts. This Amendment may be executed by the parties hereto in any number of separate counterparts (including by facsimile or other electronic transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. Successors and Assigns. All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Continuing Effect. Except as expressly amended hereby, the Loan Agreement, as amended by this Amendment, shall continue to be and shall remain in full force and effect in accordance with its terms. This Amendment shall not constitute an amendment or waiver of any provision of the Loan Agreement not expressly referred to herein and shall not be construed as an amendment, waiver or consent to any action on the part of any Borrower that would require an amendment, waiver or consent of Agent except as expressly stated herein. Any reference to the "Loan Agreement" in the Loan Documents or any related documents shall be deemed to be a reference to the Loan Agreement as amended by this Amendment. This Amendment constitutes a Loan Document.

12. COUNSEL. IN EXECUTING THIS AMENDMENT, EACH BORROWER HEREBY WARRANTS AND REPRESENTS IT IS NOT RELYING ON ANY STATEMENT OR REPRESENTATION OTHER THAN THOSE IN THIS AMENDMENT AND IS RELYING UPON ITS OWN JUDGMENT AND ADVICE OF ITS ATTORNEYS. BORROWERS HEREBY ACKNOWLEDGE AND AGREE THAT THEY HAVE BEEN ADVISED BY AGENT AND LENDER TO SEEK THE ADVICE OF AN ATTORNEY AND AN ACCOUNTANT IN CONNECTION WITH THE TRANSACTIONS CONTAINED HEREIN AND THAT SUCH BORROWER HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF AN ATTORNEY AND ACCOUNTANT OF SUCH BORROWER'S CHOICE IN CONNECTION WITH THIS AMENDMENT. EACH BORROWER ACKNOWLEDGES THAT NORTON ROSE FULBRIGHT US LLP IS NOT SUCH BORROWER'S COUNSEL WITH RESPECT TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT.

13. NO ORAL AGREEMENTS. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT OF THE PARTIES AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS RELATING TO THE SUBJECT MATTER THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR,

CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

14. General Waiver and Release. IN ADDITION, TO INDUCE AGENT AND LENDER TO AGREE TO THE TERMS OF THIS AMENDMENT, BORROWERS (BY THEIR EXECUTION BELOW) REPRESENT AND WARRANT THAT AS OF THE DATE OF THEIR EXECUTION OF THIS AMENDMENT THERE ARE NO CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS TO THEIR RESPECTIVE OBLIGATIONS UNDER THE LOAN AGREEMENT, THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THERE EXIST ANY SUCH CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS, BORROWERS (BY THEIR EXECUTION BELOW) HEREBY:

FOREVER GENERALLY WAIVE ANY AND ALL CLAIMS, OFFSETS, DEFENSES AND/OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING ON OR PRIOR TO THE DATE OF THEIR EXECUTION OF THIS AGREEMENT; AND

FOREVER RELEASE, ACQUIT AND DISCHARGE AGENT AND LENDER AND THEIR RELATED PARTIES FROM ANY AND ALL OBLIGATIONS, INDEBTEDNESS, LIABILITIES, CLAIMS, RIGHTS, CAUSES OF ACTION OR DEMANDS WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, IN LAW OR EQUITY, WHICH ANY BORROWER EVER HAD, NOW HAS, CLAIMS TO HAVE OR MAY HAVE AGAINST ANY RELEASED PARTY ARISING ON OR PRIOR TO THE DATE HEREOF AND FROM OR IN CONNECTION WITH THE LOAN AGREEMENT, THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY AND HEREIN.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the day and year first above written.

**BRROWERS:**

**GLOWPOINT, INC.**

a Delaware corporation

By: /s/ David Clark

Name: David Clark

Title: Chief Financial Officer, Treasurer and Secretary

**GP COMMUNICATIONS, LLC.**

a Delaware limited liability company

By: Glowpoint, Inc., its managing member

By: /s/ David Clark

Name: David Clark

Title: Chief Financial Officer, Treasurer and Secretary

[SIGNATURE PAGE TO FIRST AMENDMENT]

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**AGENT:**

**MAIN STREET CAPITAL CORPORATION**

A Maryland corporation as Agent

By: /s/ Dwayne L. Hyzak

Name: Dwayne L. Hyzak

Title: Senior Managing Director

[SIGNATURE PAGE TO FIRST AMENDMENT]

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**LENDER:**

**MAIN STREET CAPITAL CORPORATION**

A Maryland corporation as Agent

By: /s/ Dwayne L. Hyzak

Name: Dwayne L. Hyzak

Title: Senior Managing Director

[SIGNATURE PAGE TO FIRST AMENDMENT]

THIS NOTE HAS BEEN ISSUED WITHOUT REGISTRATION OR QUALIFICATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT (A) SUCH REGISTRATION AND QUALIFICATION, OR (B) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE MAKER IN FORM AND SUBSTANCE THAT SUCH SALE, TRANSFER, OR DISPOSITION MAY LAWFULLY BE MADE WITHOUT REGISTRATION OR QUALIFICATION. THIS NOTE IS SUBJECT TO THE TERMS OF A SUBORDINATION AGREEMENT, DATED AS OF OCTOBER 17, 2013 (AS IN EFFECT FROM TIME TO TIME, THE "SUBORDINATION AGREEMENT"), BY AND AMONG MAKER (AS DEFINED BELOW), PAYEE (AS DEFINED BELOW), SENIOR LENDER (AS DEFINED IN THE SUBORDINATION AGREEMENT) AND MAIN STREET CAPITAL CORPORATION, AS AGENT, WHICH AGREEMENT IS INCORPORATED HEREIN BY REFERENCE. THIS NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATED TO THE SENIOR DEBT (AS DEFINED IN THE SUBORDINATION AGREEMENT) IN THE MANNER AND TO THE EXTENT SET FORTH IN THE SUBORDINATION AGREEMENT. EACH HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, ACKNOWLEDGES THAT THE PRINCIPAL OF AND INTEREST ON THE INDEBTEDNESS CREATED OR EVIDENCED BY THIS NOTE SHALL NOT BECOME DUE OR PAYABLE EXCEPT TO THE EXTENT PERMITTED BY THE SUBORDINATION AND OTHER PROVISIONS SET FORTH HEREIN AND IRREVOCABLY AGREES TO BE BOUND BY THE SUBORDINATION AND OTHER PROVISIONS SET FORTH IN THE SUBORDINATION AGREEMENT.

### THIRD AMENDED AND RESTATED NONNEGOTIABLE PROMISSORY NOTE

Initial Principal Amount: \$1,784,692.48

Dated as of February 27, 2015

FOR VALUE RECEIVED, Glowpoint, Inc., a Delaware corporation ("Maker"), promises to pay to Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as Sellers' Representative, for the benefit of the Stockholders (as defined in the Merger Agreement (as defined below)) ("Payee"), in lawful money of the United States of America, the principal sum of \$1,784,692.48 (the "Principal Amount") plus any Interest (as defined below) thereof, subject to reduction as provided in the Merger Agreement and in the manner provided below. The Principal Amount shall be deemed for all purposes, including with respect to calculation of Interest that accrues on such amount, to be equal to \$1,784,692.48 as of December 31, 2014.

This Third Amended and Restated Nonnegotiable Promissory Note (this "Note") has been executed and delivered pursuant to, and is subject to the terms and conditions of, an Agreement and Plan of Merger (the "Merger Agreement") dated August 10, 2012, among Maker, GPAV Merger Sub, Inc., a Delaware corporation, Affinity VideoNet, Inc., a Delaware corporation ("Affinity"), and Payee. Capitalized terms used in this Note without definition have the respective meanings given to them in the Merger Agreement.

#### 1. INTEREST AND PAYMENTS

- (a) The unpaid Principal Amount will accrue interest at an annual rate equal to (1) ten percent (10%) from January 1, 2015 through February 28, 2015, and (2) fifteen percent (15%), commencing March 1, 2015, compounding on a quarterly basis (the "Interest"). Interest on the outstanding principal amount will be computed on the basis of a year of 360 days and the actual number of days elapsed. Interest on the unpaid balance of this Note for the period from January 1, 2015 to February 28, 2015 shall be due and payable on March 1, 2015. Interest on the unpaid balance of this Note for the period commencing March 1, 2015 shall accrue until such time as it is due and payable in arrears in accordance with the following schedule (any interest so accrued and not yet paid, the "Accrued Interest"):
- (i) Beginning on December 31, 2015 and continuing on the last day of each month thereafter, if (and only if) Maker has achieved a minimum EBITDA of at least \$4,500,000 measured on a trailing twelve month basis as of the last day of such month, Maker shall pay interest in an amount equal to 1/6th of the amount of the Accrued Interest outstanding as of the last day of the applicable twelve-month period in which such minimum EBITDA was first achieved, plus for any consecutive succeeding month in which such minimum EBITDA was achieved, the accrued and unpaid interest in respect of the immediately preceding month. Each such interest payment shall be made within 45 days following the last day of the applicable measurement period (e.g., payment for EBITDA exceeding \$4,500,000 for the twelve months ended December 31, 2015 is due February 14, 2016). For purposes of this Note, "EBITDA" shall have the meaning
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ascribed to such term in the Senior Loan Agreement (defined below).

- (ii) Any remaining interest accrued and not yet paid shall be due and payable in full on July 6, 2017 (the "Maturity Date").
- (b) If any amounts required to be paid by Maker under this Note (including without limitation, principal or interest payable) remain unpaid after such amounts are due, then Maker shall pay interest on the aggregate, outstanding principal balance hereunder from the date Maker's failure to make such payment until such past due amounts are paid in full, at a per annum rate equal to fifteen percent (15.0%) compounding on a quarterly basis. All computations of default interest shall be based on a year of 360 days and actual days elapsed.
- (c) The Principal Amount, subject to any reduction as provided in the Merger Agreement and Section 1(f) below, will be payable in accordance with the following schedule, with any remaining Principal Amount to be due and payable in full on the Maturity Date (subject to any deferrals contemplated by Section 1(f) below):
- (i) Beginning on March 31, 2015 and continuing on the last day of each month thereafter, if (and only if) Maker has achieved a minimum EBITDA of at least \$1,500,000, measured on a trailing three month basis as of the last day of such month, Maker shall make a principal payment under this Note in an amount equal to \$50,000. Such principal payment shall be made within 45 days following the last day of the applicable measurement period (e.g., payment for EBITDA exceeding \$1,500,000 for the three months ended March 31, 2015 is due May 15, 2015).
  - (ii) On each of June 30, 2015, December 31, 2015, June 30, 2016, December 31, 2016 and June 30, 2017, if (and only if) Maker has achieved a minimum EBITDA of at least \$3,000,000 measured on a trailing six month basis as of each such date, Maker shall make an additional principal payment under this Note in an amount equal to 40% of the sum of Maker's trailing six month EBITDA for such period less \$3,000,000. Such principal payment shall be made within 45 days following the last day of the applicable measurement period (e.g., payment for EBITDA exceeding \$3,000,000 for the six months ended June 30, 2015 is due August 14, 2015). The additional principal payments contemplated by this subsection (ii) shall be made only if Maker is in compliance, immediately prior to such payment and immediately after giving effect to such payment, with the financial covenants in the Senior Loan Agreement.
- (d) All payments on this Note will be made by wire transfer of immediately available funds to an account designated by Payee to Maker in writing, provided that Payee may change such account by providing not less than two Business Days written notice prior to any applicable payment date under Paragraph 1(a) and (c). If any payment on this Note becomes due on a day that is not a Business Day, such payment will be due on the next succeeding Business Day. Upon delivery of any payment on this Note to Payee, Maker shall have no further duty, liability or obligation with respect to delivery thereof to the Stockholders.
- (e) Maker may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding amounts under this Note.
- (f) Maker may reduce the Principal Amount, or withhold and set off against any portion of the Principal Amount, to the extent provided in, and in accordance with the terms and conditions, of the Merger Agreement including, without limitation, (i) by any Excess Closing Date Adjustment, (ii) by any adjustment pursuant to Section 7.15 of the Merger Agreement and (iii) by any adjustment pursuant to Article IX of the Merger Agreement. Any reduction of, or withholding or set off against, this Note pursuant to this Section 1(f), shall be applied against the payments of the Principal Amount (starting with the first payment on the six month anniversary of the Closing Date until such payment is reduced to \$0 and, thereafter, against the next due payments in the same manner). In the event of any such reduction, withholding or set off (as provided by and permitted under the Merger Agreement), any and all Interest whether accrued or previously paid with respect to the applicable portion of the Principal Amount will automatically be cancelled and shall not be due or payable under this Note at any time (or, if previously paid, such subsequent payments under Section 1(h) shall be reduced, on a dollar for dollar basis, by the amount of such previously paid Interest). For the avoidance of doubt, such cancellation of Interest shall not be given effect for purposes of calculating the portion of the Principal Amount required to be reduced, withheld or set off to satisfy the obligations under the Merger Agreement.
- (g) Notwithstanding anything in this Note or the Merger Agreement to the contrary, in the event that Maker is prohibited from making any payments of principal or interest (the "Prohibited Payments") pursuant to the terms of that certain Loan Agreement, dated as of the date hereof, by and among Maker and its subsidiaries, as borrowers, Main Street Capital
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Corporation, as agent and the lenders from time to time party thereto (as amended, revised, restated or modified, the "Senior Loan Agreement"), Maker's obligation to make such Prohibited Payments shall be deferred until two (2) Business Days after such payments are permitted pursuant to the terms of the Senior Loan Agreement.

- (h) Upon the happening or occurrence of a Change in Control, Payee may, at Payee's sole discretion, require Maker to prepay this Note, in whole or in part, upon ten (10) days prior written notice. For purposes of this Note, a "Change in Control" means the sale of all or substantially all of Maker's and its subsidiaries' assets, taken as a whole, or a merger, reorganization, consolidation, or sale of voting securities such that Maker's equityholders as of the date hereof and their affiliates do not directly or indirectly hold a majority of the voting securities of Maker (or the surviving entity to any such merger or consolidation) immediately following the closing of such transaction; provided, however, that in no event shall a "Change of Control" be deemed to have occurred hereunder if a Change of Control (as defined in the Senior Loan Agreement) has not occurred under the Senior Loan Agreement.
- (i) While any obligation remains owing under this Note, Maker shall not, and shall cause its subsidiaries, not to make any distributions or pay any dividends to any person on account of any equity ownership interest in Maker or any subsidiary (other than (i) those payable solely in equity securities issued by Maker or such subsidiary, (ii) those from any subsidiary to Maker) and (iii) dividends to holders of Maker's Series B-1 Convertible Preferred Stock ("Series B-1 Preferred") and Series A-2 Convertible Preferred Stock (Series A-2 Preferred") on account of such Series B-1 Preferred or Series A-2 Preferred beginning on January 1, 2013, payable quarterly in arrears, in an aggregate amount not to exceed \$160,000 in each quarter in accordance with the terms of the Certificate of Designations, Preferences and Rights of Series B-1 Convertible Preferred Stock of Glowpoint, Inc. and the Certificate of Designations, Preferences and Rights of Series A-2 Convertible Preferred Stock of Glowpoint, Inc., each as in effect on the date hereof, provided that Maker shall not make any such payment with respect to the Series B-1 Preferred or Series A-2 Preferred if, after giving effect to such payment, Maker's cash balance would be less than 200% of the outstanding principal balance of this Note as of the date of such payment.
- (j) Upon the happening or occurrence of any Event of Default other than an Event of Default specified in clause (iii) of the definition of "Event of Default", Payee may at its option declare immediately due and payable the entire unpaid Principal Amount of, and all accrued and unpaid Interest on, this Note, in which event the entire unpaid Principal Amount of, and all accrued and unpaid interest on, this Note shall become immediately due and payable. Upon the happening or occurrence of an Event of Default specified in clause (iii) of the definition of "Event of Default", the entire unpaid Principal Amount of, and all accrued and unpaid Interest on, this Note shall automatically become immediately due and payable, without further notice or demand. Upon the happening or occurrence of any Event of default, Payee may also exercise, pursue, enforce, and/or realize upon any available right to remedy provided at law or in equity. The remedies provided for in this Note shall be cumulative and concurrent and may be pursued singularly, successively, or concurrently against Maker in the sole discretion of Payee.

For purposes of this Note, "Event of Default" shall mean the occurrence of any one or more of the following:

- (i) Subject to Section 1(g) above, Maker's failure to pay all or any part of the Interest hereunder on the date due and payable and such failure continues for three (3) Business Days after such due date;
  - (ii) Subject to Section 1(g) above, Maker's failure to pay all or any part of the Principal Amount hereunder on the date due and payable and such failure continues for three (3) Business Days after such due date;
  - (iii) Maker makes a payment with respect to the Series B-1 Preferred or Series A-2 Preferred in violation of this Note; or
  - (iv) Maker or any other person obligated to pay any part of the indebtedness evidenced or governed by this Note: (1) commences any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any debtor relief laws; or (2) in any involuntary case, proceeding, or other action commenced against it which seeks to have an order for relief entered against it, as debtor, or seeks reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, and (i) fails to obtain a dismissal of such case or proceeding or (ii) converts the case from one chapter of the Federal Bankruptcy Code to another chapter, or (iii) is the subject of an order for relief; or (3) applies or consents to have a trustee, receiver, custodian, intervenor, liquidator, or other similar official appointed for or take possession of all or any part of its property or has any court take jurisdiction of its property which continues for a period of sixty (60) days.
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Notwithstanding anything to the contrary herein, the remedies available under this Note are subject, in all respects, to the terms, conditions and limitations contemplated by the Senior Loan Agreement and related loan documents, including any intercreditor or subordination agreements entered into in connection therewith.

## 2. MISCELLANEOUS

- (a) No Waiver. No delay or forbearance by act or omission on the part of Payee in the exercise of any power, option, right, or remedy under this Note, or in the collection of any money under this Note, shall operate as, or constitute, a waiver of Payee's right to exercise any such power, right, option, or remedy or to collect any such money, nor render Payee liable for damages or to account for any such money not collected. No single or partial exercise of, or failure to exercise, any power, right, option, or remedy provided to Payee under this Note shall preclude any other or further exercise of any such power, right, option, or remedy or the exercise of any other power, right, option, or remedy provided under this Note or at law or in equity.
- (b) Acceptance of Late or Partial Payments. Payee may accept late or partial payment of any amount due under this Note; provided, however, that acceptance of one or more late or partial payments shall not constitute a waiver of any default nor of any of Payee's rights to receive timely payment of any other payment. Acceptance of any payment, whether partial or otherwise, after the happening or occurrence of an Event of Default and the acceleration of the due date of this Note shall not constitute a reinstatement of the pre- acceleration payment schedule, nor shall it impair any of Payee's rights or remedies under this Note.
- (c) Compliance with Usury Laws. All agreements between Maker and Payee are hereby expressly limited so that in no contingency or event shall the amount paid or agreed to be paid to the Payee for the use, forbearance, or detention of the money to be loaned under this Note, exceed the maximum amount permissible under the laws of Delaware. If, at the time of any interest payment, the payment amount due under this Note transcends the legal limit, the obligation shall be reduced to the legal limit. If the Payee should ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive as interest shall be applied to the reduction of the principal amount owing under this Note, and not to the payment of interest.
- (d) Waiver. Maker waives presentment for payment, notice of nonpayment, protest, demand, notice of protest, notice of intent to accelerate, notice of acceleration and dishonor, diligence in enforcement and indulgences of every kind and without further notice hereby agrees to renewals, extensions, exchanges or releases of collateral, indulgences or partial payments, either before or after maturity.
- (e) Assignments and Successors. This Note may not be assigned or transferred by Payee without the prior written consent of Maker. Any purported assignment or transfer without such prior written consent will be void. Subject to the foregoing, this Note will inure to the benefit of the permitted assigns of Payee.
- (f) Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and performed in such State.
- (g) Resolution of Conflicts; Arbitration. Any claim or dispute arising out of or related to this Note, or the interpretation, making, performance, breach or termination thereof, shall be finally settled by binding arbitration in the County of Denver, State of Colorado in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The arbitrator(s) shall have the authority to grant any equitable and legal remedies that would be available in any judicial proceeding instituted to resolve a dispute.
- (i) Selection of Arbitrators. Such arbitration shall be conducted by a single arbitrator chosen by mutual agreement of Maker and Payee. Alternatively, at the request of either party before the commencement of arbitration, the arbitration shall be conducted by three independent arbitrators, none of whom shall have any competitive interests with Maker or Payee. Maker and Payee shall each select one arbitrator. The two arbitrators so selected shall select a third arbitrator.
- (ii) Discovery. The arbitrator or arbitrators, as the case may be, shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the parties an opportunity, adequate in the sole judgment of the arbitrator or majority of the three arbitrators, as the case may be, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrator, or a majority of the three arbitrators, as the case may be, shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions for discovery abuses,
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including attorneys' fees and costs, to the same extent as a competent court of law or equity, should the arbitrators or a majority of the three arbitrators, as the case may be, determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification.

(iii) Decision. The decision of the arbitrator or a majority of the three arbitrators, as the case may be, as to the validity and amount of any claim in an officer's certificate shall be final, binding, and conclusive upon the parties to this Note. Such decision shall be written and shall be supported by written findings of fact and conclusions which shall set forth the award, judgment, decree or order awarded by the arbitrator(s). Within thirty (30) days of a decision of the arbitrator(s) requiring payment by one party to another, such party shall make the payment to such other party.

(iv) Other Relief. The parties to the arbitration may apply to a court of competent jurisdiction for a temporary restraining order, preliminary injunction or other interim or conservatory relief, as necessary, without breach of this arbitration provision and without abridgement of the powers of the arbitrator(s).

(v) Costs and Expenses. The parties agree that each party shall pay its own costs and expenses (including counsel fees) of any such arbitration, and each party waives its right to seek an order compelling the other party to pay its portion of its costs and expenses (including counsel fees) for any arbitration.

(vi) Notices. Any notice required or permitted to be given under this Note shall be given in accordance with Section 11.6 of the Merger Agreement.

(h) This Note amends and restates that certain replacement Second Amended and Restated Nonnegotiable Promissory Note in the original principal amount of \$1,884,692.48 made by Maker payable to Payee dated February 24, 2014 and any amendments, modifications, replacements or substitutions thereto, in its entirety, but this Note does not constitute a novation thereof or of any obligations of Maker thereunder.

IN WITNESS WHEREOF, Maker has executed and delivered this Note as of the date first written above.

Glowpoint, Inc.

By: /s/ David Clark

Name: David Clark

Title: Chief Financial Officer, Treasurer and Secretary

Agreed and Accepted as of February 27, 2015:

SHAREHOLDER REPRESENTATIVE SERVICES LLC,  
solely in its capacity as Sellers' Representative

By: /s/ W. Paul Koenig

Name: W. Paul Koenig

Title: Managing Director

**SUBSIDIARIES OF GLOWPOINT, INC.**

The following is a list of subsidiaries of Glowpoint, Inc.

**Company****State of Incorporation**

GP Communications, LLC

Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements of Glowpoint, Inc. on Form S-3 (Nos. 333-185739 and 333-192129) and Form S-8 (No. 333-150436) of our report dated March 5, 2015, on our audits of the consolidated financial statements as of December 31, 2014 and 2013 and for each of the years in the two-year period ended December 31, 2014, which report is included in this Annual Report on Form 10-K to be filed on or about March 5, 2015.

/s/ EisnerAmper LLP

Iselin, NJ  
March 5, 2015

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Peter Holst, certify that:

1. I have reviewed this annual report on Form 10-K of Glowpoint, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2015

/s/ Peter Holst

Peter Holst  
Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David Clark, certify that:

1. I have reviewed this annual report on Form 10-K of Glowpoint, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2015

/s/ David Clark  
David Clark  
Chief Financial Officer  
(Principal Financial Officer)

**SECTION 906 CERTIFICATION**

The undersigned officers of Glowpoint, Inc., a Delaware corporation (the "Company"), do hereby certify, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2015

/s/ Peter Holst  
Peter Holst  
Chief Executive Officer  
(Principal Executive Officer)

/s/ David Clark  
David Clark  
Chief Financial Officer  
(Principal Financial Officer)