As filed with the Securities and Exchange Commission on March 13, 2017.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Okta, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	7372	26-4175727
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

301 Brannan Street
San Francisco, California 94107
(888) 722-7871
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Todd McKinnon
Chief Executive Officer
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A Common Stock, $0.0001 par value per share	$100,000,000	$11,590

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

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

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject To Completion. Dated .

Shares

okta

Okta, Inc.

Class A Common Stock

This is an initial public offering of shares of Class A common stock of Okta, Inc.

Prior to this offering, there has been no public market for the Class A common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We have applied to list the Class A common stock on The NASDAQ Global Select Market under the symbol "OKTA."

We have two classes of common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except voting and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 10 votes and is convertible at any time into one share of Class A common stock. The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering, with our directors and executive officers and their affiliates holding approximately %.

We are an "emerging growth company" as defined under the federal securities laws and, as such, we have elected to comply with reduced reporting requirements for this prospectus and may elect to do so in future filings.

See "Risk Factors" beginning on page 14 to read about factors you should consider before buying shares of the Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount[1]	$	$
Proceeds, before expenses, to Okta	$	$

(1) See the section titled "Underwriting" for additional information regarding compensation payable to the underwriters.

To the extent that the underwriters sell more than shares of Class A common stock, the underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2017.

Goldman, Sachs & Co. **J.P. Morgan** **Allen & Company LLC**

Pacific Crest Securities
a division of KeyBanc Capital Markets

Canaccord Genuity

JMP Securities

Enable any organization
to use any technology.

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Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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

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

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms "Okta," "the company," "we," "us" and "our" in this prospectus refer to Okta, Inc. and its consolidated subsidiaries.

OKTA, INC.

Our Mission

Our mission is to enable any organization to use any technology, and we believe identity is the key to making that happen.

Overview

Okta is the leading independent provider of identity for the enterprise. Okta pioneered identity in the cloud. The Okta Identity Cloud is our category defining platform that enables our customers to securely connect people to technology, anywhere, anytime and from any device.

Identity has always been the key to establishing trust between users and technologies. We founded Okta in 2009 to reinvent identity for the cloud era, where identity is the critical foundation in an increasingly dynamic world of devices and applications. The Okta Identity Cloud helps organizations effectively harness the power of cloud and mobile technologies by securing users and connecting them with the applications they rely on.

Every business day, over two million people use Okta to access a wide range of cloud applications, websites, mobile applications and services from a multitude of devices. Workforces sign into our platform to seamlessly access the applications they need to do their most important work. Organizations also use our platform to provide their customers with more modern experiences online and to connect with partners to streamline their operations. Developers leverage our platform to securely embed identity into their software. As we add new customers, users, developers and applications to our platform, our business, customers and users benefit from powerful network effects that increase the value and security of the Okta Identity Cloud.

The rise of cloud computing has been a momentous technological transformation. Organizations of all sizes and across every industry are racing to leverage the efficiency, flexibility and scalability benefits of the cloud. This transformation has expanded identity to encompass not only users, customers and partners, but also applications and devices that are increasingly cloud-based and outside the corporate firewall.

Given the growth trends in the number of applications and cloud adoption, identity is quickly becoming the most critical layer of an organization's security. As the corporate perimeter has dissolved, identity has become the most reliable way to manage user access, adopt cloud and mobile technologies and protect digital assets. Our approach to identity eliminates duplicative, sprawling credentials and disparate authentication policies, allowing our customers to simplify and scale their IT infrastructures more efficiently as the number of users, devices, clouds and other technologies in their ecosystem grows.

We designed the Okta Identity Cloud to provide organizations an integrated approach to managing and securing all of their identities. Our platform allows our customers to easily provision

internal and external users, enabling any user to connect to any device, cloud or application, all with a simple, intuitive and consumer-like user experience.

From the beginning, the Okta Identity Cloud was built entirely in and for the cloud. Our customers are able to achieve fast time to value, lower costs and increased efficiency while improving compliance and providing security that is persistent, perimeter-less and context-aware. These benefits are delivered through multiple products on a unified platform, our superior cloud architecture and a vast and increasing network of integrations, all supported by a company culture that is maniacally focused on customer success.

Our platform is independent and neutral, allowing our customers to integrate with any prevalent application, service, device or cloud that they choose. This independence and neutrality enables our customers to easily adopt best-of-breed technologies, enhanced by access to a broad network of pre-integrated applications across vendors and devices. We prioritize the compatibility of the Okta Identity Cloud with on-premise infrastructures and public, private and hybrid clouds.

We pioneered identity in the cloud and we believe its rapid adoption signals the early stages of a long-term shift away from legacy identity management. A subset of the Okta Identity Cloud's capabilities fully addresses the Identity and Access Management as a Service, or IDaaS, market.

Gartner publishes a Magic Quadrant for IDaaS and Okta is the only company to be named a Leader in this Magic Quadrant for all three years of its existence. We believe this recognition reflects our product innovation and our focus on the success of our customers.

As of October 31, 2016, more than 2,900 customers across nearly every industry used the Okta Identity Cloud to secure and manage identities in over 185 countries. Our customers are comprised of leading global organizations ranging from the largest enterprises, to small and medium-sized businesses, universities, non-profits and government agencies. Representative customers include 20th Century Fox, Adobe, Engie, Flex, Github, LinkedIn, MassMutual, MGM Resorts, Pitney Bowes and Twilio. In addition, leading cloud vendors, such as Amazon Web Services, Box, Google Cloud, Microsoft, NetSuite, SAP, ServiceNow and Workday, are our partners. We had over 5,000 integrations with cloud, mobile and web applications as of October 31, 2016.

We have achieved significant growth in recent periods, with our revenue increasing from $41.0 million in fiscal 2015 to $85.9 million in fiscal 2016, an increase of 109%. For the nine months ended October 31, 2015 and 2016, our revenue was $58.8 million and $111.5 million, respectively, an increase of 90%. We continue to invest in growing our business to capitalize on our market opportunity. As a result, we incurred net losses of $59.1 million and $76.3 million in fiscal 2015 and 2016, respectively. For the nine months ended October 31, 2015 and 2016, we incurred net losses of $54.9 million and $65.3 million, respectively.

Our Industry

Massive Technology Shifts are Resulting in Complexity, Sprawl and Vulnerability

Organizations worldwide are rapidly adopting cloud architectures and mobile technologies to drive productivity and enhance business results while shortening time to value and reducing expenses. This shift has created both an opportunity and a challenge for organizations, which must securely and effectively implement new technologies to further their strategic initiatives and competitive positioning. To benefit from these developments, organizations can no longer operate in an insular manner, but must open their IT perimeters and connect to their supply chains, partners and customers, directly and securely. The proliferation of applications and devices, the need to connect internal and external parties and the diversification of IT infrastructure architectures have led to tremendous complexity, risk and cost for organizations of all types and sizes. The resulting sprawl and vulnerability present critical

challenges because IT performance and security directly impact business results. There is tremendous pressure for organizations to keep pace with their competitors who are moving to the cloud and providing web applications on a variety of devices to their internal users, customers and partners. The failure to embrace these technologies will negatively impact an organization's ability to compete and may even threaten its survival.

Identity is Imperative for Cloud Adoption and Other Modern Technologies

As organizations prioritize initiatives to accelerate and transform themselves into cloud-enabled businesses, the user has become the focal point in aligning the needs of IT with the overall business strategy. Organizations must focus on identity as the one constant in an ever-changing technology and threat landscape. Through an identity-centric approach, organizations can solve the exponential problem of connecting users, devices, applications, technologies, third parties and things by allowing organizations to simplify and linearly scale their IT architectures. As IT and business strategies are converging, the buyers of identity solutions have expanded beyond Chief Information Officers and Chief Security Officers to other key business leaders, such as Chief Digital Officers who are overseeing company-wide digital transformations. Identity is uniquely able to address the needs of each of these stakeholders, thereby enabling organizations to succeed in transforming themselves.

Limitations of Legacy Identity and Access Management Offerings

Identity management software has been available for many years. While traditional Identity and Access Management, or IAM, providers have historically offered some security benefits, their patchwork of legacy tools, which were designed only for on-premise use cases, can be costly, difficult to integrate and hard to use, increasing IT complexity and sprawl.

For organizations of all types and sizes to fully achieve the benefits of the cloud, we believe there is an increasing need for a unified identity platform that enables them to grow faster, cut costs, increase efficiency, and enhance security and compliance. This solution must be secure, reliable and able to support the scale and expansiveness of the cloud era while enabling organizations to nimbly and securely transition to the cloud.

Our Opportunity

We believe that we have the opportunity to serve the identity needs not just of the largest companies, but of organizations of all sizes that want to safely and securely move to the cloud. We estimate that there is at least an $18 billion global opportunity to serve organizations of all sizes by providing an integrated approach to managing and securing all of their internal identities. This estimate is based on our average Calculated Billings and penetration per customer applied to the estimated number of businesses and educational institutions of a similar size both domestically and internationally. For more information regarding the estimate of our global opportunity, see "Business—Our Opportunity—Organizations of All Sizes Require a New Approach to Identity".

The opportunity for organizations to embed the Okta Identity Cloud into their external-facing systems is also evolving rapidly as organizations everywhere seek to engage with customers, partners and suppliers through software. We believe this is a new and expanding use case for identity solutions and is not captured in current IAM market estimates or our estimates for internal use cases. The market for an identity-centric approach to external users grows with adoption of the cloud. According to International Data Corporation, or IDC, in 2016, the Cloud Software market is expected to be $78.4 billion and the Custom Application Development market is expected to be $41.2 billion. We believe that our platform is well positioned to address a meaningful portion of these markets.

The Okta Identity Cloud

The Okta Identity Cloud is a secure, reliable and scalable platform that provides complete identity management, enabling our customers to secure their users and connect them to technology and applications, anywhere, anytime and from any device. Our customers use the platform to secure their workforces, to provide more seamless experiences for their customers, and to create solutions that make their partner networks more collaborative.

The Okta Identity Cloud is used by organizations in two distinct and powerful ways: to manage and secure their internal users (employees and contractors), and to connect and secure their external users (customers, partners and suppliers) via the powerful APIs we have developed.

The Okta Identity Cloud allows customers to:

- ***Grow Faster.*** By improving the productivity of workers, collaboration with partners and engagement with customers, we enable our customers to increase revenue, move faster and do more in the rapidly evolving cloud environment.
- ***Increase Efficiency.*** We empower organizations to transition away from expensive on-premise infrastructure and adopt best-of-breed technologies by solving the key challenges posed by moving to the cloud.
- ***Enhance Security and Compliance.*** Our platform provides persistent, perimeter-less security, with real-time visibility and compliance reporting.
- ***Embrace Technology of Choice.*** We provide users with the freedom to choose from a broad selection of pre-integrated applications, without tie-ins or bias toward proprietary products.
- ***Eliminate Downtime.*** Our maintenance windows do not require any downtime and our platform has experienced best-in-class uptime, delivering over 99.9% uptime across our customer base over the past 24 months.

We deliver these benefits through:

- ***Leading-Edge Technology.*** We provide identity-centric connectivity in a manner that is agnostic, irrespective of application, user, location or connected device.
- ***Superior Cloud Architecture.*** The Okta Identity Cloud is uniquely architected to seamlessly integrate with and manage cloud, hybrid, on-premise and mobile technologies, and is built with a core focus on reliability and security.
- ***Robust Ecosystem of Integrations.*** Our Okta Application Network provides immediate time-to-value with over 5,000 integrations with cloud, mobile and web applications as of October 31, 2016.
- ***Differentiated User Experience.*** Despite the depth and complexity of the issues we solve, the Okta Identity Cloud provides users with an elegant, intuitive and consumer-like experience.
- ***A Culture of Customer Success.*** We prioritize customer success above all else and have a culture that is built upon the core values of transparency, integrity, reliability and independence.

Our Products

The Okta Identity Cloud is made up of six individual products built on a unified platform:

- ***Universal Directory.*** Offers centralized, cloud-based storage of user, application and device profiles and their relationships.
- ***Single Sign-On.*** Enables seamless access to applications from any device with a single entry of user credentials.

- ***Adaptive Multi-Factor Authentication.*** Provides additional security to all applications accessed through our platform.
- ***Lifecycle Management.*** Automates administration and provisioning of user accounts and access.
- ***Mobility Management.*** Automates administration and provisioning of user devices.
- ***API Access Management.*** Connects web and mobile experiences to cloud or on-premise services through APIs.

Our Powerful Network Effects

The Okta Identity Cloud benefits from powerful network effects, which accelerate our value creation, provide sustainable competitive advantages, help us acquire additional customers and provide more value to our current and prospective customers.

Product Network Effect

As new applications are added to our platform, they are immediately available to all of our customers through the Okta Application Network. As a result, our network is continuously growing and providing additional value to our current and prospective customers.

Ecosystem Network Effect

As we add more customers, we increase the number of system integrators that build practices around the Okta Identity Cloud and independent software vendors who build their applications on our platform, both of which expand our partner ecosystem and better allow us to acquire new customers.

Data Network Effect

As we add more identities to our platform, we gain increasingly valuable insights about our users, their devices, their location, the applications they access, where security attacks are originating, and much more. We use the data to understand usage trends and predict customer needs, driving product innovation and new feature development that enriches our offerings and improves security.

Growth Strategy

Key elements of our growth strategy are:

- Driving new customer growth;
- Deepening relationships within our existing customer base;
- Expanding our international footprint;
- Expanding our integrations and partner ecosystem;
- Innovating and advancing our platform with new products and use cases; and
- Leveraging our unique data assets with powerful analytics.

Risks Affecting Us

- We have a limited operating history, which makes it difficult to forecast our revenue and evaluate our business and future prospects.
- We have experienced rapid growth in recent periods, and our recent growth rates may not be indicative of our future growth. As our costs increase, we may not be able to generate sufficient revenue to achieve and, if achieved, maintain profitability.
- We have a history of losses, and we expect to incur losses for the foreseeable future.

- If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service and customer satisfaction or adequately address competitive challenges.
- We face intense competition, especially from larger, well-established companies, and we may lack sufficient financial or other resources to maintain or improve our competitive position.
- If we are unable to attract new customers, sell additional products to our existing customers or develop new products and enhancements to our products that achieve market acceptance, our revenue growth and profitability will be harmed.
- Our business depends on our customers renewing their subscriptions and purchasing additional licenses or subscriptions from us. Any material decline in our Dollar-Based Retention Rate would harm our future results of operations.
- If there are interruptions or performance problems associated with our technology or infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the deployment of our platform.
- A network or data security incident may allow unauthorized access to our network or data or our customers' data, harm our reputation, create additional liability and adversely impact our financial results.
- We may experience quarterly fluctuations in our results of operations due to a number of factors that make our future results difficult to predict and could cause our results of operations to fall below analyst or investor expectations.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, including our directors, executive officers, and their affiliates, who will hold in the aggregate % of the voting power of our capital stock following the completion of this offering. This will limit or preclude your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval.

Corporate Information

We were incorporated in 2009 as Saasure Inc., a California corporation, and were later reincorporated in 2010 under the name Okta, Inc. as a Delaware corporation. Our principal executive offices are located at 301 Brannan Street, San Francisco, California 94107, and our telephone number is (888) 722-7871. Our website address is www.okta.com. Information contained on or that can be accessed through our website does not constitute part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

"Okta" is our registered trademark in the United States, the European Community, Australia, Canada and Japan. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

Emerging Growth Company

The Jumpstart Our Business Startups Act, or the JOBS Act, was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as "emerging growth companies." We are an emerging growth company within the meaning of the JOBS Act. As an emerging growth company, we may take advantage of certain exemptions from various public reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, certain requirements

related to the disclosure of executive compensation in this prospectus and in our periodic reports and proxy statements and the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions until we are no longer an emerging growth company.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards. Accordingly, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the completion of this offering.

For certain risks related to our status as an emerging growth company, see the section titled "*Risk Factors—Risks Related to Our Business—We are an 'emerging growth company' and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors.*"

THE OFFERING

Class A common stock offered by us	shares
Class A common stock to be outstanding after this offering	shares
Class B common stock to be outstanding after this offering	shares
Option to purchase additional shares of Class A common stock from us	We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to an additional shares from us.
Total Class A common stock and Class B common stock to be outstanding after this offering	shares (or shares if the underwriters' option to purchase additional shares in this offering is exercised in full)
Use of proceeds	The principal purposes of this offering are to increase our capitalization, increase our financial flexibility, create a public market for our Class A common stock and enable access to the public equity markets for our stockholders and us. We estimate that the net proceeds from the sale of shares of our Class A common stock that we are selling in this offering will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares in this offering is exercised in full), based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds of this offering for working capital and other general corporate purposes, including funding our growth strategies discussed in this prospectus. We may also use a portion of the net proceeds to acquire or invest in complementary businesses, products, services, technologies or other assets. See the section titled "Use of Proceeds" for additional information.
Voting rights	Shares of our Class A common stock are entitled to one vote per share. Shares of our Class B common stock are entitled to 10 votes per share. Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation. The holders of our outstanding

	Class B common stock will hold approximately % of the voting power of our outstanding capital stock following the completion of this offering and will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See the sections titled "Principal Stockholders" and "Description of Capital Stock" for additional information.
Concentration of ownership	Upon completion of this offering, our executive officers and directors, and their affiliates, will beneficially own, in the aggregate, approximately % of the voting power of our outstanding shares of common stock.
Risk factors	See the section titled "Risk Factors" for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.
Proposed NASDAQ Global Select Market trading symbol	"OKTA"

The number of shares of Class A and Class B common stock that will be outstanding after this offering is based on no shares of our Class A common stock and 79,449,658 shares of our Class B common stock outstanding as of October 31, 2016, and excludes:

- 32,159,524 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that were outstanding as of October 31, 2016, with a weighted-average exercise price of $5.83 per share;
- 4,053,625 shares of our Class B common stock issuable upon the exercise of options to purchase common stock granted after October 31, 2016, with a weighted-average exercise price of $10.57 per share;
- 598,500 shares of our Class B common stock issuable as restricted stock awards granted after October 31, 2016;
- 1,000,000 shares of our Class B common stock issued after October 31, 2016;
- 29,058 shares of Class B common stock issuable upon the exercise of a preferred stock warrant held by Silicon Valley Bank dated November 22, 2011, with an exercise price of $1.38 per share;
- 187,500 shares of Class B common stock issuable upon the exercise of a common stock warrant held by Silicon Valley Bank dated March 10, 2014, with an exercise price of $1.40 per share;
- 300,000 shares of our Class B common stock reserved for issuance to fund and support the operations of Okta for Good, our social impact initiative;
- $125,000 worth of shares of our Class A common stock reserved for future issuance to Tipping Point Community, which represents shares assuming a trading price on the date of grant of $, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus;
- 196,107 shares of our Class B common stock reserved for future issuance pursuant to our Amended and Restated 2009 Stock Plan, or our 2009 Plan; and

- shares of our Class A common stock reserved for future issuance under our share-based compensation plans, to be adopted in connection with this offering, consisting of:
  - shares of our Class A common stock reserved for future issuance under our 2017 Equity Incentive Plan, or our 2017 Plan; and
  - shares of our Class A common stock reserved for future issuance under our 2017 Employee Stock Purchase Plan, or our ESPP.

Our 2017 Plan and ESPP each provide for annual automatic increases in the number of shares reserved thereunder and our 2017 Plan also provides for increases to the number of shares of Class A common stock that may be granted thereunder based on shares underlying any awards under our 2009 Plan that expire, are forfeited or are otherwise terminated, as more fully described in the section titled "Executive Compensation—Employee Benefit and Stock Plans."

Except as otherwise indicated, all information in this prospectus assumes:

- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of 59,465,439 shares of our common stock, the conversion of which will occur immediately prior to the completion of this offering;
- the reclassification of our outstanding existing common stock into an equivalent number of shares of our Class B common stock, which will occur immediately prior to the completion of this offering;
- the automatic conversion of the redeemable convertible preferred and common stock warrants to Class B common stock warrants, and the resulting remeasurement and reclassification of the redeemable convertible preferred stock warrant liability to additional paid-in capital, which will occur immediately prior to the completion of this offering; and
- no exercise by the underwriters of their option to purchase up to an additional shares of Class A common stock from us in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA AND OTHER DATA

The following tables summarize our consolidated financial data and other data. We derived the summary consolidated statements of operations data for the years ended January 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statements of operations data for the nine months ended October 31, 2015 and 2016 and the consolidated balance sheet data as of October 31, 2016 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial data on the same basis as the audited financial statements. We have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those interim consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future and the results for the nine months ended October 31, 2016 are not necessarily indicative of the results to be expected for the full year or any other period. The following summary consolidated financial data and other data should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands, except per share data)			
Consolidated Statements of Operations Data:				
Revenue				
Subscription	$ 38,138	$ 76,443	$ 52,802	$ 99,125
Professional services and other	2,872	9,464	5,967	12,381
Total revenue	41,010	85,907	58,769	111,506
Cost of revenue				
Subscription[1]	9,818	20,684	14,735	24,523
Professional services and other[1]	8,912	15,340	11,015	15,739
Total cost of revenue	18,730	36,024	25,750	40,262
Gross profit	22,280	49,883	33,019	71,244
Operating expenses:				
Research and development[1]	18,370	28,761	19,879	28,127
Sales and marketing[1]	49,096	77,915	53,693	87,264
General and administrative[1]	13,596	19,195	14,150	21,009
Total operating expenses	81,062	125,871	87,722	136,400
Operating loss	(58,782)	(75,988)	(54,703)	(65,156)
Other income (expense), net	(199)	(19)	(14)	138
Loss before income taxes	(58,981)	(76,007)	(54,717)	(65,018)
Provision for income taxes	130	295	157	267
Net loss	$ (59,111)	$ (76,302)	$ (54,874)	$ (65,285)
Net loss per share[2]:				
Basic and diluted	$ (3.67)	$ (4.28)	$ (3.11)	$ (3.46)
Weighted-average shares outstanding used to compute net loss per share[2]:				
Basic and diluted	16,097	17,817	17,638	18,850
Pro forma net loss per share[2]:				
Basic and diluted		$ (0.99)		$ (0.83)
Pro forma weighted-average shares outstanding used to compute pro forma net loss per share[2]:				
Basic and diluted		77,282		78,315

(1) Amounts include share-based compensation expense as follows:

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Cost of subscription revenue	$ 323	$ 909	$ 600	$ 1,417
Cost of professional services and other revenue	273	553	397	890
Research and development	912	1,748	1,138	2,162
Sales and marketing	1,236	2,853	1,829	4,385
General and administrative	3,836	3,769	3,182	3,015
Total share-based compensation expense	$ 6,580	$ 9,832	$ 7,146	$ 11,869

(2) Please refer to Note 13 to our consolidated financial statements for an explanation of the method used to compute the historical and pro forma net loss per share and the number of shares used in the computation of the per share amounts.

	As of October 31, 2016		
	Actual	Pro Forma(1)	Pro Forma as Adjusted(2)(3)
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$ 42,133	$ 42,133	$
Working capital	(27,329)	(27,047)	
Total assets	120,777	120,777	
Deferred revenue, current and non-current portion	99,818	99,818	
Redeemable convertible preferred stock warrant liability	282	—	
Redeemable convertible preferred stock	227,954	—	
Total stockholders' equity (deficit)	(231,806)	(3,570)	

(1) The pro forma column in the balance sheet data table above gives effect to (i) the automatic conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock into 59,465,439 shares of our common stock, (ii) the redesignation of our outstanding common stock as Class B common stock and (iii) the reclassification of the redeemable convertible preferred stock warrant liability to additional paid-in capital, as if such conversion, issuance and reclassification had occurred on October 31, 2016.

(2) The pro forma as adjusted column in the balance sheet data table above gives effect to (i) the pro forma adjustments and (ii) the assumed sale and issuance of shares of our Class A common stock by us in this offering, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the cash, cash equivalents and short-term investments; working capital; total assets; and total stockholders' equity (deficit) by $ million, assuming that the number of shares of our Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions payable by us. An increase or decrease of 1.0 million shares of our Class A common stock offered by us would increase or decrease, as applicable, the cash, cash equivalents and short-term investments; working capital; total assets; and total stockholders' equity (deficit) by $ million, assuming an initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions payable by us.

Other Financial Measures and Key Metrics

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(dollars in thousands)			
Gross profit	$ 22,280	$ 49,883	$ 33,019	$ 71,244
Non-GAAP gross profit	$ 23,062	$ 51,535	$ 34,158	$ 73,693
Gross margin	54%	58%	56%	64%
Non-GAAP gross margin	56%	60%	58%	66%
Operating loss	$(58,782)	$ (75,988)	$(54,703)	$ (65,156)
Non-GAAP operating loss	$(51,247)	$ (65,935)	$(47,384)	$ (53,145)
Operating margin	(143)%	(88)%	(93)%	(58)%
Non-GAAP operating margin	(125)%	(77)%	(81)%	(48)%
Net cash used in operating activities	$(32,749)	$ (41,536)	$(32,575)	$ (35,399)
Net cash provided by (used in) investing activities	$(48,571)	$ 1,160	$ (6,176)	$ 2,568
Net cash provided by financing activities	$ 77,313	$ 76,841	$ 75,993	$ 462
Free Cash Flow	$(35,694)	$ (48,237)	$(36,968)	$ (44,038)
Customers (period end)	1,320	2,225	2,000	2,906
Calculated Billings	$ 68,100	$118,023	$ 80,919	$131,799
Dollar-Based Retention Rate for the trailing 12 months ended	129%	120%	122%	124%

See the section titled “Selected Consolidated Financial Data and Other Data—Non-GAAP Financial Measures” for additional information and reconciliations of the non-GAAP financial measures to the most directly comparable financial measures stated in accordance with U.S. generally accepted accounting principles, or GAAP.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, before making a decision to invest in our Class A common stock. If any of the risks actually occur, our business, results of operations, financial condition and prospects could be harmed. In that event, the trading price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business

We have a limited operating history, which makes it difficult to forecast our revenue and evaluate our business and future prospects.

We have been in existence since 2009, and much of our growth has occurred in recent periods. As a result of our limited operating history, our ability to forecast our future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. We have encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. Additionally, the sales cycle for the evaluation and implementation of our platform, which typically extends for multiple months for enterprise deals, may also cause us to experience a delay between increasing operating expenses and the generation of corresponding revenue, if any. Accordingly, we may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of delays arising from these factors, and our results of operations in future reporting periods may be below the expectations of investors. If we do not address these risks successfully, our results of operations could differ materially from our estimates and forecasts or the expectations of investors, causing our business to suffer and our stock price to decline.

We have experienced rapid growth in recent periods, and our recent growth rates may not be indicative of our future growth. As our costs increase, we may not be able to generate sufficient revenue to achieve and, if achieved, maintain profitability.

From fiscal 2015 to fiscal 2016, our revenue grew from $41.0 million to $85.9 million, an increase of 109%. In future periods, we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our revenue growth depends on a number of factors, including, but not limited to, our ability to:

- price our products effectively so that we are able to attract and retain customers without compromising our profitability;
- attract new customers, successfully deploy and implement our platform, increase our existing customers' use of our platform and provide our customers with excellent customer support;
- introduce our platform to new markets outside of the United States;
- successfully compete against larger companies and new market entrants; and
- increase awareness of our brand on a global basis.

If we are unable to accomplish any of these tasks, our revenue growth will be harmed. We also expect our operating expenses to increase in future periods, and if our revenue growth does not increase to offset these anticipated increases in our operating expenses, our business, financial position and results of operations will be harmed, and we may not be able to achieve or maintain profitability.

We have a history of losses, and we expect to incur losses for the foreseeable future.

We have incurred significant net losses in each year since our inception, including net losses of $59.1 million and $76.3 million in fiscal 2015 and 2016, respectively, and $54.9 million and

$65.3 million for the nine months ended October 31, 2015 and 2016, respectively. We expect to continue to incur net losses for the foreseeable future. Because the market for our platform is rapidly evolving and has not yet reached widespread adoption, it is difficult for us to predict our future results of operations. We expect our operating expenses to significantly increase over the next several years as we hire additional personnel, particularly in sales and marketing, expand and improve the effectiveness of our distribution channels, expand our operations and infrastructure, both domestically and internationally, and continue to develop our platform. In addition, as we grow and become a newly public company, we will incur additional significant legal, accounting and other expenses that we did not incur as a private company. If our revenue does not increase to offset these increases in our operating expenses, we will not be profitable in future periods. While historically, our total revenue has grown, not all components of our total revenue have grown consistently. Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our software, increasing competition, any failure to gain or retain channel partners, a decrease in the growth of our overall market, or our failure, for any reason, to continue to capitalize on growth opportunities. As a result, our past financial performance should not be considered indicative of our future performance. Any failure by us to achieve or sustain profitability on a consistent basis could cause the value of our common stock to decline.

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

We have experienced, and may continue to experience, rapid growth and organizational change, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. We have also experienced significant growth in the number of users and logins and in the amount of data that our Software-as-a-Service, or SaaS, hosting infrastructure supports. Finally, our organizational structure is becoming more complex as we improve our operational, financial and management controls as well as our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas without undermining our culture of rapid innovation, teamwork and attention to customer success, which has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our platform may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers and employees.

We have established international offices, including offices in the United Kingdom, the Netherlands, Canada and Australia, and we may continue to expand our international operations into other countries in the future. Our expansion has placed, and our expected future growth will continue to place, a significant strain on our managerial, customer operations, research and development, marketing and sales, administrative, financial and other resources. If we are unable to manage our continued growth successfully, our business and results of operations could suffer.

In addition, as we expand our business, it is important that we continue to maintain a high level of customer service and satisfaction. As our customer base continues to grow, we will need to expand our account management, customer service and other personnel, and our network of independent software vendors, or ISVs, and channel partners, to provide personalized account management and customer service. If we are not able to continue to provide high levels of customer service, our reputation, as well as our business, results of operations and financial condition, could be harmed.

We face intense competition, especially from larger, well-established companies, and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The market for identity solutions is intensely competitive, and we expect competition to increase in the future from established competitors and new market entrants. Our competitors for internal use

cases include authentication, provisioning, adaptive multi-factor authentication and mobility management providers, many of which are large companies such as Computer Associates, Citrix, IBM, Microsoft, Oracle, RSA (a division of Dell Technologies) and Symantec and companies, such as VMware, that have acquired identity management solution providers in recent years. For external use cases, we generally compete with internally developed systems. We also face competition from small, private niche companies that offer point products that attempt to address certain of the problems that our platform solves. In addition, with the recent increase in large merger and acquisition transactions in the technology industry, particularly transactions involving cloud-based technologies, there is a greater likelihood that we will compete with other large technology companies in the future. Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as greater name recognition and longer operating histories, larger sales and marketing budgets and resources, broader distribution and established relationships with ISVs, channel partners and customers, greater customer support resources, greater resources to make acquisitions, lower labor and development costs, larger and more mature intellectual property portfolios and substantially greater financial, technical and other resources.

In addition, some of our larger competitors have substantially broader product offerings and leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our products, including through selling at zero or negative margins, product bundling or closed technology platforms. Potential customers may also prefer to purchase from their existing suppliers rather than a new supplier regardless of product performance or features. These larger competitors often have broader product lines and market focus and will therefore not be as susceptible to downturns in a particular market. Our competitors may also seek to repurpose their existing offerings to provide identity solutions with subscription models. Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering by our competitors or continuing market consolidation. New start-up companies that innovate and large competitors that are making significant investments in research and development may invent similar or superior products and technologies that compete with our products. In addition, some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could harm our ability to compete. Furthermore, organizations may be more willing to incrementally add solutions to their existing infrastructure from competitors than to replace their existing infrastructure with our products. These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer orders, reduced revenue and gross margins, increased net losses, and loss of market share. Any failure to meet and address these factors could harm our business, results of operations and financial condition.

If we are unable to attract new customers, sell additional products to our existing customers or develop new products and enhancements to our products that achieve market acceptance, our revenue growth and profitability will be harmed.

To increase our revenue and achieve and maintain profitability, we must add new customers or sell additional products to our existing customers. Numerous factors, however, may impede our ability to add new customers and sell additional products to our existing customers, including our inability to convert new organizations into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate our current sales and marketing personnel, failure to develop or expand relationships with channel partners, failure to successfully deploy products for new customers and provide quality customer support once deployed or failure to ensure the effectiveness of our marketing programs. In addition, if prospective customers do not perceive our

platform to be of sufficiently high value and quality, we will not be able to attract the number and types of new customers that we are seeking.

In addition, our ability to attract new customers and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing products and to introduce compelling new products that reflect the changing nature of our markets. The success of any enhancement to our products depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and our platform and overall market acceptance. If we are unable to successfully develop new products, enhance our existing products to meet customer requirements, or otherwise gain market acceptance, our business, results of operations and financial condition would be harmed.

Further, to grow our business, we must convince developers to adopt and build their external portals on our platform. We believe that these developer-built portals facilitate greater usage and customization of our products. If these developers stop developing on or supporting our platform, we will lose the benefit of network effects that have contributed to the growth in our number of customers, and our business, results of operations and financial condition could be harmed.

Our business depends on our customers renewing their subscriptions and purchasing additional licenses or subscriptions from us. Any material decline in our Dollar-Based Retention Rate would harm our future results of operations.

To continue to grow our business, it is important that our customers renew their subscriptions when existing contract terms expire and that we expand our commercial relationships with our existing customers. Our customers have no obligation to renew their subscriptions, and our customers may decide not to renew their subscriptions with a similar contract period, at the same prices and terms or with the same or a greater number of users. We have experienced significant growth in the number of users of our platform, but we do not know whether we will continue to achieve similar user growth rates in the future. In the past, some of our customers have elected not to renew their agreements with us, and it is difficult to accurately predict long-term customer retention and expansion rates. Our customer retention and expansion may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our products, our product support, our prices and pricing plans, the prices of competing software products, reductions in our customers' spending levels, user adoption of our platform, deployment success, utilization rates by our customers, new product releases and changes to the packaging of our product offerings. If our customers do not purchase additional subscriptions or renew their subscriptions, renew on less favorable terms or fail to add more users, our revenue may decline or grow less quickly than anticipated, which would harm our future results of operations. Furthermore, if our contractual license terms were to shorten it could lead to increased volatility of, and diminished visibility into, future recurring revenue. If our sales of new or recurring subscriptions and software-related support service contracts decline from existing customers, our revenue and revenue growth may decline, and our business will suffer.

If there are interruptions or performance problems associated with our technology or infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the deployment of our platform.

Our continued growth depends, in part, on the ability of our existing and potential customers to access our platform 24 hours a day, seven days a week, without interruption or degradation of performance. We may experience disruptions, data loss, outages and other performance problems with our infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order. We may not be able to maintain the level of service uptime and performance required by our customers, especially during peak usage times and as

our products become more complex and our user traffic increases. For example, in October 2016, a distributed denial-of-service attack against Dyn, a domain name service vendor we use (acquired by Oracle), prevented many of our customers and their users in the United States from accessing our platform or applications authenticated by our platform and resulted in our failing to meet certain contracted uptime levels under our service level agreements and the issuance of service credits to some of our customers, although the dollar value of such credits were not material. If our platform is unavailable or if our customers are unable to access our products or deploy them within a reasonable amount of time, or at all, our business would be harmed. Since our customers rely on our service to access and complete their work, any outage on our platform would impair the ability of our customers to perform their work, which would negatively impact our brand, reputation and customer satisfaction. Moreover, we depend on services from various third parties to maintain our infrastructure and distribute our products via the Internet. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our products. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. We may also be unable to effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology.

Any of the above circumstances or events may harm our reputation, cause customers to terminate their agreements with us, impair our ability to obtain subscription renewals from existing customers, impair our ability to grow our customer base, subject us to financial penalties and liabilities under our service level agreements, and otherwise harm our business, results of operations and financial condition.

A network or data security incident may allow unauthorized access to our network or data or our customers' data, harm our reputation, create additional liability and adversely impact our financial results.

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for us to entirely mitigate these risks. The security measures we have integrated into our internal networks and platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect our internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into our networks.

Our customers' storage and use of data concerning, among others, their employees, contractors, customers and partners is essential to their use of our platform, which stores, transmits and processes customers' proprietary information and personally identifiable information. If a breach of customer data security were to occur, as a result of third-party action, employee error, malfeasance or otherwise, and the confidentiality, integrity or availability of our customers' data was disrupted, we could incur significant liability to our customers and to individuals or businesses whose information was being stored by our customers, and our platform may be perceived as less desirable, which could negatively affect our business and damage our reputation. In addition, a network or security breach could result in

the loss of customers and make it more challenging to acquire new customers. Because techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures.

In addition, security breaches impacting our platform could result in a risk of loss or unauthorized disclosure of this information, which, in turn, could lead to litigation, governmental audits and investigations and possible liability, damage our relationships with our existing customers, and have a negative impact on our ability to attract and retain new customers. Furthermore, as a well-known provider of identity solutions, any such breach, including a breach of our customers' networks, could compromise our networks or networks secured by our products, creating system disruptions or slowdowns and exploiting security vulnerabilities of our or our customers' networks, and the information stored on our or our customers' networks could be accessed, publicly disclosed, altered, lost or stolen, which could subject us to liability and cause us financial harm. These breaches, or any perceived breach, of our networks, our customers' networks, or other networks secured by our products, whether or not any such breach is due to a vulnerability in our platform, may also undermine confidence in our platform or our industry and result in damage to our reputation, negative publicity, loss of ISVs, channel partners, customers and sales, increased costs to remedy any problem, and costly litigation. In addition, a breach of the security measures of one of our key channel partners or ISVs could result in the exfiltration of confidential corporate information or other data that may provide additional avenues of attack, and if a high profile security breach occurs with respect to another SaaS provider, our customers and potential customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones, potentially causing a negative impact on our business. Any of these negative outcomes could adversely impact market acceptance of our products and could harm our business, results of operations and financial condition.

Third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information or otherwise compromise the security of our internal networks, electronic systems and/or physical facilities in order to gain access to our data or our customers' data, which could result in significant legal and financial exposure, a loss of confidence in the security of our platform, interruptions or malfunctions in our operations, and, ultimately, harm to our future business prospects and revenue. We may be required to expend significant capital and financial resources to protect against such threats or to alleviate problems caused by breaches in security.

We may experience quarterly fluctuations in our results of operations due to a number of factors that make our future results difficult to predict and could cause our results of operations to fall below analyst or investor expectations.

Our quarterly results of operations fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including, but not limited to:

- the level of demand for our platform;
- the timing and success of new product introductions by us or our competitors or any other change in the competitive landscape of our market;
- pricing pressure as a result of competition or otherwise;
- seasonal buying patterns for IT spending;
- errors in our forecasting of the demand for our products, which could lead to lower revenue, increased costs or both;

- increases in and timing of sales and marketing and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- credit or other difficulties confronting our channel partners;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment;
- fluctuations in foreign currency exchange rates;
- costs related to the acquisition of businesses, talent, technologies or intellectual property, including potentially significant amortization costs and possible write-downs; and
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability.

Any one or more of the factors above may result in significant fluctuations in our results of operations. You should not rely on our past results as an indicator of our future performance.

The variability and unpredictability of our quarterly results of operations or other operating metrics could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other metrics for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

Any actual or perceived failure by us to comply with our privacy policy or legal or regulatory requirements in one or multiple jurisdictions could result in proceedings, actions or penalties against us.

Our customers' storage and use of data concerning, among others, their employees, contractors, customers and partners is essential to their use of our platform. We have implemented various features intended to enable our customers to better comply with applicable privacy and security requirements in their collection and use of data, but these features do not ensure their compliance and may not be effective against all potential privacy concerns.

Many jurisdictions have enacted or are considering enacting privacy and/or data security legislation, including laws and regulations applying to the collection, use, storage, transfer, disclosure and/or processing of personal information. The costs of compliance with, and other burdens imposed by, such laws and regulations that are applicable to the businesses of our customers may limit the use and adoption of our service and reduce overall demand for it. These privacy and data security related laws and regulations are evolving and may result in increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. In addition, we are subject to certain contractual obligations regarding the collection, use, storage, transfer, disclosure and/or processing of personal information. Although we are working to comply with those federal, state, and foreign laws and regulations, industry standards, contractual obligations and other legal obligations that apply to us, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, our practices or the features of our platform. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, industry standards, contractual obligations or other legal obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personal information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the European Union and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. In addition to government activity, privacy advocacy groups and technology and other industries are considering various new, additional or different self-regulatory standards that may place additional burdens on us. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could impair our or our customers' ability to collect, use or disclose information relating to consumers, which could decrease demand for our applications, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue. New laws, amendments to or re-interpretations of existing laws and regulations, industry standards, contractual obligations and other obligations may require us to incur additional costs and restrict our business operations. Such laws and regulations may require companies to implement privacy and security policies, permit users to access, correct and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, and, in some cases, obtain individuals' consent to use personal information for certain purposes, If we fail to comply with federal, state and international data privacy laws and regulations our ability to successfully operate our business and pursue our business goals could be harmed.

Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement action against us, including fines and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing customers and prospective customers), any of which could harm our business, results of operations and financial condition.

Since many of the features of our applications involve the processing of personal information from our customers and their employees, contractors, customers, partners and others, any inability to adequately address privacy concerns, even if unfounded, or to comply with applicable privacy or data security laws, regulations and policies, could result in liability to us, damage to our reputation, inhibition of sales and to our business.

Around the world, there are numerous lawsuits in process against various technology companies that process personal information. If those lawsuits are successful, it could increase the likelihood that our company may be exposed to liability for our own policies and practices concerning the processing of personal information and could hurt our business. Furthermore, the costs of compliance with, and other burdens imposed by laws, regulations and policies concerning privacy and data security that are applicable to the businesses of our customers may limit the use and adoption of our platform and reduce overall demand for it. Privacy concerns, whether or not valid, may inhibit market adoption of our platform. Additionally, concerns about security or privacy may result in the adoption of new legislation that restricts the implementation of technologies like ours or requires us to make modifications to our platform, which could significantly limit the adoption and deployment of our technologies or result in significant expense to modify our platform.

We publicly post our privacy policies and practices concerning our processing, use and disclosure of the personally identifiable information provided to us by our website visitors. Our publication of our privacy policies and other statements we publish that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive or misrepresentative of our practices.

Evolving and changing definitions of what constitutes "Personal Information" and "Personal Data" within the European Union, the United States and elsewhere, especially relating to classification of IP addresses, machine or device identification numbers, location data and other information, may limit or inhibit our ability to operate or expand our business, including limiting technology alliance partners that may involve the sharing of data.

If our platform is perceived to cause, or is otherwise unfavorably associated with, violations of privacy or data security requirements, it may subject us or our customers to public criticism and potential legal liability. Existing and potential privacy laws and regulations concerning privacy and data security and increasing sensitivity of consumers to unauthorized processing of personal information may create negative public reactions to technologies, products and services such as ours. Public concerns regarding personal information processing, privacy and security may cause some of our customers' end users to be less likely to visit their websites or otherwise interact with them. If enough end users choose not to visit our customers' websites or otherwise interact with them, our customers could stop using our platform. This, in turn, may reduce the value of our service and slow or eliminate the growth of our business.

Our financial results may fluctuate due to increasing variability in our sales cycles.

We plan our expenses based on certain assumptions about the length and variability of our sales cycle. These assumptions are based upon historical trends for sales cycles and conversion rates associated with our existing customers. As we continue to focus on sales to larger organizations, we expect our sales cycles to lengthen and become less predictable, which may harm our financial results. Factors that may influence the length and variability of our sales cycle include, among other things:

- the need to raise awareness about the uses and benefits of our platform, including our external use case;
- the need to allay privacy and security concerns;
- the discretionary nature of purchasing and budget cycles and decisions;
- the competitive nature of evaluation and purchasing processes;
- announcements or planned introductions of new products, features or functionality by us or our competitors; and
- often lengthy purchasing approval processes.

Our increasing focus on sales to larger organizations may further increase the variability of our financial results. If we are unable to close one or more expected significant transactions with large organizations in a particular period, or if an expected transaction is delayed until a subsequent period, our results of operations for that period, and for any future periods in which revenue from such transaction would otherwise have been recognized, may be harmed.

We provide service level commitments under our customer contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, or face contract termination with refunds of prepaid amounts related to unused subscriptions, which could harm our business, results of operations and financial condition.

Our customer agreements contain service level agreements, under which we guarantee specified availability of our platform. In light of our historical experience with meeting our service level commitments, we do not currently have any material liabilities accrued on our balance sheet for these commitments. Any failure of or disruption to our infrastructure could make our platform unavailable to our customers. If we are unable to meet the stated service level commitments to our customers or suffer extended periods of unavailability of our platform, we may be contractually obligated to provide affected customers with service credits for future subscriptions, or customers could elect to terminate and receive refunds for prepaid amounts related to unused subscriptions. For example, in October 2016, a distributed denial-of-service attack against Dyn, a domain name service vendor we use (acquired by Oracle), prevented many of our customers and their users in the United States from accessing our platform or applications authenticated by our platform and resulted in our failing to meet certain contracted uptime levels under our service level agreements and the issuance of service credits

to some of our customers. Our revenue, other results of operations and financial condition could be harmed if we suffer unscheduled downtime that exceeds the service level commitments under our agreements with our customers, and any extended service outages could adversely affect our business and reputation as customers may elect not to renew and we could lose future sales.

If we fail to offer high-quality customer support, our business and reputation will suffer.

Once our platform is deployed to our customers, our customers rely on our support services to resolve any related issues. High-quality customer education and customer support is important for the successful marketing and sale of our products and for the renewal of existing customers. The importance of high-quality customer support will increase as we expand our business and pursue new organizations. If we do not help our customers quickly resolve post-deployment issues and provide effective ongoing customer support, our ability to upsell additional products to existing customers would suffer and our reputation with existing or potential customers would be harmed.

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

To grow our business, we anticipate that we will continue to depend on relationships with third parties, such as channel partners. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Our competitors may be effective in providing incentives to third parties to favor their products or services over subscriptions to our platform. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential customers, as our partners may no longer facilitate the adoption of our applications by potential customers. If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired, and our results of operations may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our applications or increased revenue.

Because we recognize revenue from subscriptions and support services over the term of the relevant service period, downturns or upturns in sales are not immediately fully reflected in our results of operations.

We recognize recurring subscriptions and related support services revenue monthly over the term of the relevant period. As a result, much of the revenue we report each quarter is the recognition of deferred revenue from recurring subscriptions and related support services contracts entered into during previous quarters. Consequently, a decline in new or renewed recurring subscriptions and software-related support service contracts in any one quarter will not be fully reflected in revenue in that quarter, but will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in new or renewed sales of our recurring subscriptions and software-related support services are not reflected in full in our results of operations until future periods. Revenue from our recurring subscriptions and software-related support services also makes it difficult for us to rapidly increase our revenue through additional service sales in any period, as revenue from new and renewal software-related service contracts must be recognized over the applicable service period.

If we fail to adapt to rapid technological change, our ability to remain competitive could be impaired.

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Our ability to attract new customers and increase revenue from existing customers will depend in significant part on our ability to anticipate industry standards and trends and continue to enhance existing products or introduce or acquire new products on a timely basis to keep pace with technological developments. The success of any

enhancement or new product depends on several factors, including the timely completion and market acceptance of the enhancement or new product. Any new product we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implements new technologies before we are able to implement them, those competitors may be able to provide more effective products than ours at lower prices. Any delay or failure in the introduction of new or enhanced products could harm our business, results of operations and financial condition.

Certain estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate.

This prospectus includes our internal estimates of the addressable market for identity solutions. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating to the size and expected growth of our target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. In particular, our estimates regarding our current and projected market opportunity is difficult to predict. In addition, our internal estimates of the addressable market for identity solutions reflects the opportunity available from all participants and potential participants in the market. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all.

Adverse general economic and market conditions and reductions in IT and identity spending may reduce demand for our products, which could harm our revenue, results of operations and cash flows.

Our revenue, results of operations and cash flows depend on the overall demand for our products. Concerns about the systemic impact of a potential widespread recession (in the United States or internationally), energy costs, geopolitical issues or the availability and cost of credit could lead to increased market volatility, decreased consumer confidence and diminished growth expectations in the U.S. economy and abroad, which in turn could result in reductions in IT and identity spending by our existing and prospective customers. Prolonged economic slowdowns may result in customers requesting us to renegotiate existing contracts on less advantageous terms to us than those currently in place or defaulting on payments due on existing contracts or not renewing at the end of the contract term.

In addition, the economies of countries in Europe have been experiencing weakness associated with high sovereign debt levels, weakness in the banking sector and uncertainty over the future of the Eurozone. We have current and potential new customers in Europe. If economic conditions in Europe and other key markets for our applications continue to remain uncertain or deteriorate further, many customers may delay or reduce their information technology spending.

Our customers may merge with other entities who use alternative identity solutions and, during weak economic times, there is an increased risk that one or more of our customers will file for bankruptcy protection, either of which may harm our revenue, profitability and results of operations. We also face risk from international customers that file for bankruptcy protection in foreign jurisdictions, particularly given that the application of foreign bankruptcy laws may be more difficult to predict. In addition, we may determine that the cost of pursuing any claim may outweigh the recovery potential of such claim. As a result, broadening or protracted extension of an economic downturn could harm our business, revenue, results of operations and cash flows.

If we are unable to ensure that our products interoperate with a variety of operating systems and software applications that are developed by others, our platform may become less competitive and our results of operations may be harmed.

The number of people who access the Internet through mobile devices and access cloud-based software applications through mobile devices, including smartphones and handheld tablets or laptop computers, has increased significantly in the past few years and is expected to continue to increase. While we have created mobile applications and mobile versions of our products, if these mobile applications and products do not perform well, our business may suffer. We are also dependent on third party application stores that may prevent us from timely updating our current products or uploading new products. In addition, our products interoperate with servers, mobile devices and software applications predominantly through the use of protocols, many of which are created and maintained by third parties. We therefore depend on the interoperability of our products with such third-party services, mobile devices and mobile operating systems, as well as cloud-enabled hardware, software, networking, browsers, database technologies and protocols that we do not control. Any changes in such technologies that degrade the functionality of our products or give preferential treatment to competitive services could adversely affect adoption and usage of our platform. Also, we may not be successful in developing or maintaining relationships with key participants in the mobile industry or in developing products that operate effectively with a range of operating systems, networks, devices, browsers, protocols and standards. In addition, we may face different fraud, security and regulatory risks from transactions sent from mobile devices than we do from personal computers. If we are unable to effectively anticipate and manage these risks, or if it is difficult for our customers to access and use our platform, our business, results of operations and financial condition may be harmed.

If we fail to enhance our brand cost-effectively, our ability to expand our customer base will be impaired and our business, results of operations and financial condition may suffer.

We believe that developing and maintaining awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our existing and future products and is an important element in attracting new customers. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to provide reliable and useful products at competitive prices. In the past, our efforts to build our brand have involved significant expenses. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract new customers or retain our existing customers to the extent necessary to realize a sufficient return on our brand-building efforts, and our business, results of operations and financial condition could suffer.

Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products.

Our ability to increase our customer base and achieve broader market acceptance of our products will depend to a significant extent on our ability to expand our marketing and sales operations. We plan to continue expanding our direct sales force and engaging additional channel partners, both domestically and internationally. This expansion will require us to invest significant financial and other resources. Our business will be harmed if our efforts do not generate a corresponding increase in revenue. We may not achieve anticipated revenue growth from expanding our direct sales force if we are unable to hire and develop talented direct sales personnel, if our new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if we are unable to retain our existing direct sales personnel. We also may not achieve anticipated revenue growth from our

channel partners if we are unable to attract and retain additional motivated channel partners, if any existing or future channel partners fail to successfully market, resell, implement or support our products for their customers, or if they represent multiple providers and devote greater resources to market, resell, implement and support the products and solutions of these other providers. For example, some of our channel partners also sell or provide integration and administration services for our competitors' products, and if such channel partners devote greater resources to marketing, reselling and supporting competing products, this could harm our business, results of operations and financial condition.

Our ability to introduce new products and features is dependent on adequate research and development resources. If we do not adequately fund our research and development efforts, we may not be able to compete effectively and our business and results of operations may be harmed.

To remain competitive, we must continue to develop new products, applications and enhancements to our existing platform. This is particularly true as we further expand and diversify our capabilities. Maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market is essential. If we are unable to develop products internally due to certain constraints, such as high employee turnover, lack of management ability or a lack of other research and development resources, this may force us to expand into a certain market or strategy via an acquisition for which we could potentially pay too much or fail to successfully integrate into our operations. Further, many of our competitors expend a considerably greater amount of funds on their respective research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources or to compete effectively with the research and development programs of our competitors would give an advantage to such competitors and may harm our business, results of operations and financial condition.

Interruptions or delays in the services provided by third-party data centers or internet service providers could impair the delivery of our platform and our business could suffer.

We host our platform using Amazon Web Services, or AWS, data centers, a provider of cloud infrastructure services. All of our products reside on hardware owned or leased and operated by us in these locations. Our operations depend on protecting the virtual cloud infrastructure hosted in AWS by maintaining its configuration, architecture and interconnection specifications, as well as the information stored in these virtual data centers and which third-party internet service providers transmit. Although we have disaster recovery plans that utilize multiple AWS locations, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events beyond our control could negatively affect our platform. A prolonged AWS service disruption affecting our platform for any of the foregoing reasons could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the AWS services we use.

AWS enables us to order and reserve server capacity in varying amounts and sizes distributed across multiple regions. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. AWS may terminate the agreement by providing 30 days prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice.

Our platform is accessed by a large number of customers, often at the same time. As we continue to expand the number of our customers and products available to our customers, we may not

be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of AWS data centers or third-party internet service providers to meet our capacity requirements could result in interruptions or delays in access to our platform or impede our ability to scale our operations. In the event that our AWS service agreements are terminated, or there is a lapse of service, interruption of internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our platform as well as delays and additional expense in arranging new facilities and services.

Our success depends, in part, on the integrity and scalability of our systems and infrastructures. System interruption and the lack of integration, redundancy and scalability in these systems and infrastructures may harm our business, results of operations and financial condition.

Our success depends, in part, on our ability to maintain the integrity of our systems and infrastructure, including websites, information and related systems. System interruption and a lack of integration and redundancy in our information systems and infrastructure may adversely affect our ability to operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost-efficient operations. We may experience occasional system interruptions that make some or all systems or data unavailable or prevent us from efficiently providing access to our platform. We also rely on third-party computer systems, broadband and other communications systems and service providers in connection with providing access to our platform generally. Any interruptions, outages or delays in our systems and infrastructure, our business and/or third parties, or deterioration in the performance of these systems and infrastructure, could impair our ability to provide access to our platform. Fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, other natural disasters, acts of war or terrorism and similar events or disruptions may damage or interrupt computer, broadband or other communications systems and infrastructure at any time. Any of these events could cause system interruption, delays and loss of critical data, and could prevent us from providing access to our platform. While we have backup systems for certain aspects of their operations, disaster recovery planning by its nature cannot be sufficient for all eventualities. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these events were to occur, it could harm our business, results of operations and financial condition.

We rely on software and services from other parties. Defects in or the loss of access to software or services from third parties could increase our costs and adversely affect the quality of our products.

We rely on technologies from third parties to operate critical functions of our business, including cloud infrastructure services and customer relationship management services. Our business would be disrupted if any of the third-party software or services we utilize, or functional equivalents thereof, were unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices. In each case, we would be required to either seek licenses to software or services from other parties and redesign our products to function with such software or services or develop these components ourselves, which would result in increased costs and could result in delays in our product launches and the release of new product offerings until equivalent technology can be identified, licensed or developed, and integrated into our products. Furthermore, we might be forced to limit the features available in our current or future products. These delays and feature limitations, if they occur, could harm our business, results of operations and financial condition.

Real or perceived errors, failures, vulnerabilities or bugs in our products, including deployment complexity, could harm our business and results of operations.

Errors, failures, vulnerabilities or bugs may occur in our products, especially when updates are deployed or new products are rolled out. Our platform is often used in connection with large-scale

computing environments with different operating systems, system management software, equipment and networking configurations, which may cause errors or failures of products, or other aspects of the computing environment into which our products are deployed. In addition, deployment of our products into complicated, large-scale computing environments may expose errors, failures, vulnerabilities or bugs in our products. Any such errors, failures, vulnerabilities or bugs may not be found until after they are deployed to our customers. Real or perceived errors, failures, vulnerabilities or bugs in our products could result in negative publicity, loss of customer data, loss of or delay in market acceptance of our products, loss of competitive position, or claims by customers for losses sustained by them, all of which could harm our business, results of operations and financial condition.

If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our proprietary information and technology. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws and contractual restrictions to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our products may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our technology and intellectual property.

We rely in part on trade secrets, proprietary know-how and other confidential information to maintain our competitive position. Although we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our products, impair the functionality of our products, delay introductions of new products, result in our substituting inferior or more costly technologies into our products, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new products, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

Our results of operations may be harmed if we are subject to a protracted infringement claim or a claim that results in a significant damage award.

We expect that software product developers will increasingly be subject to infringement claims as the number of products and competitors grows and the functionality of products in different industry segments overlaps. Our competitors or other third parties may challenge the validity or scope of our intellectual property rights. A claim may also be made relating to technology that we acquire or license from third parties. If we were subject to a claim of infringement, regardless of the merit of the claim or our defenses, the claim could:

- require costly litigation to resolve and the payment of substantial damages;
- require significant management time;
- cause us to enter into unfavorable royalty or license agreements;
- require us to discontinue the sale of some or all of our products;
- require us to indemnify our customers or third-party service providers; and/or
- require us to expend additional development resources to redesign our products.

Any one or more of the above could harm our business, results of operations and financial condition.

We use open source software in our products, which could negatively affect our ability to offer our products and subject us to litigation or other actions.

We use open source software in our products and may use more open source software in the future. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their products. However, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our results of operations and financial condition or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with less development effort and time. If we inappropriately use open source software, or if the license terms for open source software that we use change, we may be required to re-engineer our products, incur additional costs, discontinue the sale of some or all of our products or take other remedial actions.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or assurance of title or controls on origin of the software. In addition, many of the risks associated with usage of open source software, such as the lack of warranties or assurances of title, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have established processes to help alleviate these risks, including a review process for screening requests from our development organizations for the use of open source software, but we cannot be sure that all of our use of open source software is in a manner that is consistent with our current policies and procedures, or will not subject us to liability.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with customers and other third parties may include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property

or persons, or other liabilities relating to or arising from the use of our platform or other acts or omissions. The term of these contractual provisions often survives termination or expiration of the applicable agreement. We have not to date received claims from third parties alleging we are infringing their intellectual property. However, as we continue to grow, the possibility of these and other intellectual property rights claims against us may increase. For any intellectual property rights indemnification claim against us or our customers, we will incur significant legal expenses and may have to pay damages, license fees and/or stop using technology found to be in violation of the third party's rights. Large indemnity payments could harm our business, results of operations and financial condition. We may also have to seek a license for the technology. Such license may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities and limit our ability to deliver certain products. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense and/or cause us to alter our platform, which could negatively affect our business.

From time to time, customers require us to indemnify or otherwise be liable to them for breach of confidentiality, violation of applicable law or failure to implement adequate security measures with respect to their data stored, transmitted, or accessed using our platform. Although we normally contractually limit our liability with respect to such obligations, the existence of such a dispute may have adverse effects on our customer relationship and reputation and we may still incur substantial liability related to them.

Any assertions by a third party, whether or not successful, with respect to such indemnification obligations could subject us to costly and time-consuming litigation, expensive remediation and licenses, divert management attention and financial resources, harm our relationship with that customer and other current and prospective customers, reduce demand for our platform, and harm our brand, business, results of operations and financial condition.

We may face particular privacy, data security and data protection risks in Europe due to the recent invalidation of the Safe Harbors Program and the new European General Data Protection Regulation.

In the European Community, Directive 95/46/EC, or the Directive, has required European Union member states to implement data protection laws to meet the strict privacy requirements of the Directive. Among other requirements, the Directive regulates transfers of personally identifiable data that is subject to the Directive, or Personal Data, to third countries, such as the United States, that have not been found to provide adequate protection to such Personal Data. Our customers have in the past relied upon our adherence to the U.S. Department of Commerce's Safe Harbor Privacy Principles and compliance with the U.S.-EU and U.S.-Swiss Safe Harbor Frameworks as agreed to and set forth by the U.S. Department of Commerce, and the European Union and Switzerland, which established a means for legitimating the transfer of Personal Data by data controllers in the European Economic Area, or EEA, to the United States. As a result of the October 6, 2015 European Union Court of Justice, or ECJ, opinion in Case C-362/14 (Schrems v. Data Protection Commissioner) regarding the adequacy of the U.S.-EU Safe Harbor Framework, the U.S.-EU Safe Harbor Framework is no longer deemed to be a valid method of compliance with requirements set forth in the Directive (and member states' implementations thereof) regarding the transfer of Personal Data outside of the EEA.

Negotiators from the European Union and United States reached political agreement on a successor to the Safe Harbor framework that will be referred to as the EU-US Privacy Shield. On May 26, 2016 the European Parliament adopted a resolution and on July 8, 2016 the European Member States representatives approved the final version of the EU-US Privacy Shield, paving the way forward for the adoption of the decision by the European Commission. As of August 1, 2016, interested companies have been permitted to register for the program. There continue to be concerns about whether the Privacy Shield will face additional challenges. Until the remaining legal uncertainties regarding the future of the EU-US Privacy Shield are settled and we determine whether we will

participate in the program, we will continue to face uncertainty as to whether our efforts to comply with our obligations under European privacy laws will be sufficient. If we are investigated by a European data protection authority, we may face fines and other penalties. Any such investigation or charges by European data protection authorities could have a negative effect on our existing business and on our ability to attract and retain new customers.

In light of the ECJ opinion in Case C-362/14, we offer our customers other methods to enable compliant data transfers from the EEA to the United States and have begun to undertake efforts to conform transfers of Personal Data from the EEA based on current regulatory obligations, the guidance of data protection authorities, and evolving best practices. Despite this, we may be unsuccessful in establishing conforming means or means that are acceptable to our customers of transferring such data from the EEA, including due to ongoing legislative activity, which may vary the current data protection landscape.

We may also experience hesitancy, reluctance, or refusal by European or multi-national customers to continue to use our services due to the potential risk exposure to such customers as a result of the ECJ ruling in Case C-362/14 and the current data protection obligations imposed on them by certain data protection authorities. Such customers may also view any alternative approaches to compliance as being too costly, too burdensome, too legally uncertain or otherwise objectionable and therefore decide not to do business with us.

We and our customers are at risk of enforcement actions taken by certain EU data protection authorities until such point in time that we may be able to ensure that all transfers of Personal Data to us in the United States from the EEA are conducted in compliance with all applicable regulatory obligations, the guidance of data protection authorities and evolving best practices. We may find it necessary to establish systems to maintain Personal Data originating from the European Union in the EEA, which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business.

In addition, data protection regulation is an area of increased focus and changing requirements. The Directive will be replaced in time with the recently adopted European General Data Protection Regulation, which will enter into force on May 25, 2018, and which may impose additional obligations and risk upon our business and which may increase substantially the penalties to which we could be subject in the event of any non-compliance. We may incur substantial expense in complying with the new obligations to be imposed by the European General Data Protection Regulation and we may be required to make significant changes in our business operations, all of which may adversely affect our business, results of operations and financial condition.

We function as a HIPAA Business Associate for certain of our customers and, as such, are subject to strict privacy and data security requirements. If we fail to comply with any of these requirements, we could be subject to significant liability, all of which can adversely affect our business as well as our ability to attract and retain new customers.

The Health Insurance Portability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their respective implementing regulations, or HIPAA, imposes specified requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security standards directly applicable to business associates. We function as a business associate for certain of our customers that are HIPAA covered entities and service providers, and in that context we are regulated as a business associate for the purposes of HIPAA. If we are unable to comply with our obligations as a HIPAA business associate, we could face substantial civil and even criminal liability. Modifying the already stringent penalty structure that was present under HIPAA prior to HITECH, HITECH created four new tiers of civil monetary penalties and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek

attorneys' fees and costs associated with pursuing federal civil actions. In addition, many state laws govern the privacy and security of health information in certain circumstances, many of which differ from HIPAA and each other in significant ways and may not have the same effect.

The HIPAA covered entities and service providers to which we provide services require us to enter into HIPAA-compliant business associate agreements with them. These agreements impose stringent data security obligations on us. If we are unable to meet the requirements of any of these business associate agreements, we could face contractual liability under the applicable business associate agreement as well as possible civil and criminal liability under HIPAA, all of which can have an adverse impact on our business and generate negative publicity, which, in turn, can have an adverse impact on our ability to attract and retain new customers.

We are subject to anti-corruption, anti-bribery and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010 and other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage and other consequences. Any investigations, actions or sanctions could harm our business, results of operations and financial condition.

We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws.

Our business activities are subject to various restrictions under U.S. export controls and trade and economic sanctions laws, including the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by the U.S. Treasury Department's Office of Foreign Assets Control. The U.S. export control laws and U.S. economic sanctions laws include prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities and also require authorization for the export of encryption items. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our services or could limit our customers' ability to implement our services in those countries. Although we take precautions to prevent our products from being provided in violation of such laws, our products may have been in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and monetary penalties. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. Although we take precautions to prevent transactions with U.S. sanction targets, we could inadvertently provide our products to persons prohibited by U.S. sanctions. This could result in negative consequences to us, including government investigations, penalties and harm to our reputation.

We have limited experience with respect to determining the optimal prices for our products.

In the past, we have sometimes adjusted our prices either for individual customers in connection with long-term agreements or for a particular product. We expect that we may need to change our pricing in future periods. Further, as competitors introduce new products that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. As we expand internationally, we also must determine the appropriate price to enable us to compete effectively internationally. In addition, if our mix of products sold changes, then we may need to, or choose to, revise our pricing. As a result, we may be required or choose to reduce our prices or change our pricing model, which could harm our business, results of operations and financial condition.

We may face exposure to foreign currency exchange rate fluctuations.

Today, our international contracts are sometimes denominated in local currencies. However, the majority of our international costs are denominated in local currencies. Over time, an increasing portion of our international contracts may be denominated in local currencies. Therefore, fluctuations in the value of the U.S. dollar and foreign currencies may affect our results of operations when translated into U.S. dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and harm our results of operations and financial condition.

We have in the past acquired, and we may in the future seek to acquire or invest in, businesses, products or technologies that we believe could complement or expand our current platform, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses. If we acquire additional businesses, we may not be able to integrate successfully the acquired personnel, operations and technologies, or effectively manage the combined business following the acquisition.

We may not be able to find and identify desirable acquisition targets or we may not be successful in entering into an agreement with any one target. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could harm our results of operations. In addition, if an acquired business fails to meet our expectations, our business, results of operations and financial condition may suffer.

Our customers may fail to pay us in accordance with the terms of their agreements, necessitating action by us to compel payment.

We typically enter into multiple year, non-cancelable arrangements with our customers. If customers fail to pay us under the terms of our agreements, we may be adversely affected both from the inability to collect amounts due and the cost of enforcing the terms of our contracts, including litigation. The risk of such negative effects increases with the term length of our customer arrangements. Furthermore, some of our customers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or pay those amounts more slowly, either of which could adversely affect our business, results of operations and financial condition.

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

We currently maintain offices and have sales personnel outside the United States in the United Kingdom, Netherlands, Canada and Australia, and we intend to expand our international operations. In fiscal 2015 and 2016, our international revenue was 9% and 12%, respectively, of our total revenue. Any international expansion efforts that we may undertake may not be successful. In addition, conducting international operations subjects us to new risks, some of which we have not generally faced in the United States. These risks include, among other things:

- unexpected costs and errors in the localization of our products, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, privacy standards, regulatory requirements, tariffs and other barriers;
- practical difficulties of enforcing intellectual property rights in countries with fluctuating laws and standards and reduced or varied protection for intellectual property rights in some countries;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships and local employment laws;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue; and
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings.

Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability.

We have not engaged in currency hedging activities to limit risk of exchange rate fluctuations. Changes in exchange rates affect our costs and earnings, and may also affect the book value of our assets located outside the United States and the amount of our stockholders' equity.

We have limited experience in marketing, selling and supporting our platform abroad. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and results of operations will suffer.

We may be required to defer recognition of some of our revenue, which may harm our financial results in any given period.

We may be required to defer recognition of revenue for a significant period of time after entering into an agreement due to a variety of factors, including, among other things, whether:

- the transaction involves both current products and products that are under development;
- the customer requires significant modifications, configurations or complex interfaces that could delay delivery or acceptance of our products;

- the transaction involves extended payment terms;
- the transaction involves acceptance criteria or other terms that may delay revenue recognition; or
- the transaction involves performance milestones or payment terms that depend upon contingencies.

Because of these factors and other specific revenue recognition requirements under GAAP, we must have very precise terms in our contracts to recognize revenue when we initially provide access to our platform or perform services. Although we strive to enter into agreements that meet the criteria under GAAP for current revenue recognition on delivered elements, our agreements are often subject to negotiation and revision based on the demands of our customers. The final terms of our agreements sometimes result in deferred revenue recognition well after the time of delivery, which may adversely affect our financial results in any given period. In addition, because of prevailing economic conditions, more customers may require extended payment terms, shorter term contracts or alternative licensing arrangements that could reduce the amount of revenue we recognize upon delivery of our platform and could adversely affect our short-term financial results.

Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition. In some instances, we could reasonably use different estimates and assumptions, and changes in estimates are likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates.

Changes in tax laws or regulations in the various tax jurisdictions we are subject to that are applied adversely to us or our customers could increase the costs of our products and harm our business.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Those enactments could harm our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines and/or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to purchase our products in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our products. Further, these events could decrease the capital we have available to operate our business. Any or all of these events could harm our business and financial performance.

As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could harm our liquidity and results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could harm us and our results of operations.

We depend on our executive officers and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm our business.

Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team in the areas of research and development, operations, security, marketing, sales, customer support, general and administrative functions, and on individual contributors in our research and development and operations. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. For example, we hired a new President, Worldwide Field Operations in October 2016. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers, especially our Chief Executive Officer or Chief Operating Officer, or key employees could harm our business. Changes in our executive management team may also cause disruptions in, and harm to, our business.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel in the San Francisco Bay Area, where our headquarters is located, and in other locations where we maintain offices, is intense, especially for engineers experienced in designing and developing software and SaaS applications and experienced sales professionals. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may harm our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly-traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations and financial condition.

Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations.

We may need to raise additional funds, and we may not be able to obtain additional debt or equity financing on favorable terms, if at all. If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests. If we engage in debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things:

- develop and enhance our products;

- continue to expand our product development, sales and marketing organizations;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

In addition, access to our existing line of credit with Silicon Valley Bank is subject to certain financial and other covenants. Our inability to abide by these covenants or do any of the foregoing could reduce our ability to compete successfully and harm our business, results of operations and financial condition.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the Securities and Exchange Commission, or SEC, is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. For example, as we have prepared to become a public company, we have worked to improve the controls around our key accounting processes and our quarterly close process, we have implemented a number of new systems to supplement our core ERP system as part of our control environment, and we have hired additional accounting and finance personnel to help us implement these processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NASDAQ. We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business and results of operations and could cause a decline in the price of our Class A common stock.

Changes in existing financial accounting standards or practices, or taxation rules or practices, may harm our results of operations.

Changes in existing accounting or taxation rules or practices, new accounting pronouncements or taxation rules, or varying interpretations of current accounting pronouncements or taxation practice could harm our results of operations or the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective.

GAAP is subject to interpretation by the Financial Accounting Standards Board, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. For example, in May 2014 the Financial Accounting Standards Board issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606) (ASU 2014-09)*, for which certain elements may impact our accounting for revenue and costs incurred to acquire contracts. We are still in the process of evaluating these potential impacts.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, capitalized internal-use software costs, income taxes, other non-income taxes, business combination and valuation of goodwill and purchased intangible assets and share-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock.

Catastrophic events may disrupt our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could harm our business. We have a large employee presence in San Francisco, California and the west coast of the United States contains active earthquake zones. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our products, breaches of data security and loss of

critical data, all of which could harm our business, results of operations and financial condition. In addition, the insurance we maintain may not be adequate to cover our losses resulting from disasters or other business interruptions.

We may be subject to liability claims if we breach our contracts and our insurance may be inadequate to cover our losses.

We are subject to numerous obligations in our contracts with our customers and partners. Despite the procedures, systems and internal controls we have implemented to comply with our contracts, we may breach these commitments, whether through a weakness in these procedures, systems and internal controls, negligence or the willful act of an employee or contractor. Our insurance policies, including our errors and omissions insurance, may be inadequate to compensate us for the potentially significant losses that may result from claims arising from breaches of our contracts, disruptions in our services, failures or disruptions to our infrastructure, catastrophic events and disasters or otherwise. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our Class A common stock less attractive because we will rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and the price of our Class A common stock may be more volatile.

Exposure to political developments in the United Kingdom, including the outcome of the U.K. referendum on membership in the EU, could harm us.

On June 23, 2016, a referendum was held on the United Kingdom's membership in the European Union, the outcome of which was a vote in favor of leaving the European Union. The United Kingdom's vote to leave the European Union creates an uncertain political and economic environment in the United Kingdom and potentially across other EU member states, which may last for a number of months or years.

The result of the referendum means that the long-term nature of the United Kingdom's relationship with the European Union is unclear and that there is considerable uncertainty as to when any such relationship will be agreed and implemented. The political and economic instability created by the United Kingdom's vote to leave the European Union has caused and may continue to cause significant volatility in global financial markets and the value of the British Pound or other currencies, including the Euro. Depending on the terms reached regarding any exit from the European Union, it is possible that there may be adverse practical or operational implications on our business.

Our business may be subject to additional obligations to collect and remit sales tax and other taxes, and we may be subject to tax liability for past sales. Any successful action by state, foreign or other authorities to collect additional or past sales tax could harm our business.

States and some local taxing jurisdictions have differing rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change

over time. In particular, the applicability of sales taxes to our platform in various jurisdictions is unclear. It is possible that we could face sales tax audits and that our liability for these taxes could exceed our estimates as state tax authorities could still assert that we are obligated to collect additional amounts as taxes from our customers and remit those taxes to those authorities. We could also be subject to audits in states and international jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our services in jurisdictions where we have not historically done so and do not accrue for sales taxes could result in substantial tax liabilities for past sales, discourage customers from purchasing our products or otherwise harm our business, results of operations and financial condition.

We file sales tax returns in certain states within the United States as required by law and certain customer contracts for a portion of the products that we provide. We do not collect sales or other similar taxes in other states and many of such states do not apply sales or similar taxes to the vast majority of the products that we provide. However, one or more states or foreign authorities could seek to impose additional sales, use or other tax collection and record-keeping obligations on us or may determine that such taxes should have, but have not been, paid by us. Liability for past taxes may also include substantial interest and penalty charges. Any successful action by state, foreign or other authorities to compel us to collect and remit sales tax, use tax or other taxes, either retroactively, prospectively or both, could harm our business, results of operations and financial condition.

Our ability to use our net operating loss carry-forwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three year period, the corporation's ability to use its pre-change net operating loss carry-forwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. We have experienced ownership changes in the past and, although we do not expect to experience an ownership change in connection with our initial public offering, any such ownership change could result in increased future tax liability. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carry-forwards to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

Risks Related to Ownership of Our Class A Common Stock

The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of this offering, including our directors, executive officers, and their affiliates, who will hold in the aggregate % of the voting power of our capital stock following the completion of this offering. This will limit or preclude your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval.

Our Class B common stock has ten votes per share, and our Class A common stock, which is the stock we are offering pursuant to this prospectus, has one vote per share. Following this offering, our directors, executive officers, and their affiliates, will hold in the aggregate % of the voting power of our capital stock. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until . This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our

assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term.

There has been no prior public market for our Class A common stock, the stock price of our Class A common stock may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.

There has been no public market for our Class A common stock prior to this offering. The initial public offering price for our Class A common stock was determined through negotiations among the underwriters and us and may vary from the market price of our Class A common stock following this offering. The market prices of the securities of other newly public companies have historically been highly volatile. The market price of our Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets and/or publicly-listed technology companies;
- actual or anticipated fluctuations in our revenue or other operating metrics;
- changes in the financial projections we provide to the public or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors;
- recruitment or departure of key personnel;
- the economy as a whole and market conditions in our industry;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- lawsuits threatened or filed against us;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events;
- the expiration of contractual lock-up or market standoff agreements; and
- sales of additional shares of our Class A common stock by us or our stockholders.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and harm our business.

Sales of substantial amounts of our Class A common stock in the public markets, such as when our lock-up restrictions are released, or the perception that sales might occur, could cause the market price of our Class A common stock to decline.

Sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers, and principal stockholders, or the perception that these sales might occur, could cause the market price of our Class A common stock to decline.

Substantially all of our securities outstanding prior to the completion of this offering are currently restricted from resale as a result of lock-up and market standoff agreements. See the section titled "Shares Eligible for Future Sale" for additional information. These securities will become available to be sold 181 days after the date of the final prospectus relating to the offering. Goldman, Sachs & Co. and J.P. Morgan Securities LLC may, in their discretion, permit our security holders to sell shares prior to the expiration of the restrictive provisions contained in the lock-up agreements. Shares held by directors, executive officers, and other affiliates will also be subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended, or the Securities Act, and various vesting agreements.

In addition, as of October 31, 2016, we had 32,159,524 options outstanding that, if fully exercised, would result in the issuance of shares of Class B common stock. All of the shares of Class B common stock issuable upon the exercise of stock options and the shares reserved for future issuance under our equity incentive plans, will be registered for public resale under the Securities Act. Accordingly, these shares will be able to be freely sold in the public market upon issuance, subject to existing lock-up or market standoff agreements and applicable vesting requirements.

Following this offering, the holders of 59,494,497 shares of our Class B common stock will have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise, could cause the market price of our Class A common stock to decline or be volatile.

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

As a public company, we will be subject to the reporting requirements of the Exchange Act, the listing standards of NASDAQ and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs

necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

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

As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, results of operations and financial condition.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Class A common stock and trading volume could decline.

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our Class A common stock would be negatively affected. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us on a regular basis, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline.

Because the initial public offering price of our Class A common stock is substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price is substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our Class A common stock in this offering, you will experience immediate dilution of $ per share, the difference between the price per share you pay for our Class A common stock and its pro forma net tangible book value per share as of October 31, 2016. See the section titled "Dilution" for additional information.

We will have broad discretion in the use of the net proceeds to us from this offering and may not use them effectively.

We will have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being

used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government. These investments may not yield a favorable return to our investors.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. In addition, our credit facility contains restrictions on our ability to pay dividends.

Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current board of directors, and limit the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the completion of this offering, include provisions that:

- provide that our board of directors will be classified into three classes of directors with staggered three-year terms;
- permit the board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- provide that only the Chairperson of our board of directors, our Chief Executive Officer, or a majority of our board of directors will be authorized to call a special meeting of stockholders;
- provide for a dual class common stock structure in which holders of our Class B common stock have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Moreover, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock. See the section titled “Description of Capital Stock” for additional information.

Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders’ ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or
- or any action asserting a claim against us that is governed by the internal affairs doctrine.

This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our revenue, costs of revenue, gross profit or gross margin and operating expenses;
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- our ability to maintain the security and availability of our internal networks and platform;
- our ability to increase our number of customers;
- our ability to sell additional products to and retain our existing customers;
- our ability to successfully expand in our existing markets and into new markets;
- our ability to effectively manage our growth and future expenses;
- our ability to expand our network of ISVs and channel partners;
- our estimated total addressable market;
- the future benefits to be derived from adding new customer cohort groups;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to comply with modified or new laws and regulations applying to our business;
- the attraction and retention of qualified employees and key personnel;
- our anticipated investments in sales and marketing and research and development;
- our ability to successfully defend litigation brought against us;
- the increased expenses associated with being a public company; and
- our use of the net proceeds from this offering.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements

made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

MARKET AND INDUSTRY DATA

This prospectus contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk Factors,” that could cause results to differ materially from those expressed in these publications and reports.

Certain information in the text of this prospectus is contained in independent industry publications and publicly-available reports. The source of these independent industry publications is provided below:

- Gartner, Inc., *Magic Quadrant for Identity and Access Management as a Service*, June 2, 2014.
- Gartner, Inc., *Magic Quadrant for Identity and Access Management as a Service, Worldwide*, June 4, 2015.
- Gartner, Inc., *Market Insight: Cloud Shift—The Transition of IT Spending From Traditional Systems to Cloud*, May 18, 2016.
- Gartner, Inc., *Magic Quadrant for Identity and Access Management as a Service, Worldwide*, June 6, 2016.
- International Data Corporation, *Worldwide and Regional Public IT Cloud Services Forecast, 2016—2020*, December 2016.
- International Data Corporation, *Worldwide Custom Application Development Services Forecast, 2016—2020*, April 2016.
- International Data Corporation, *Worldwide Internet of Things Forecast Update, 2016—2020*, December 2016.
- International Data Corporation, *Worldwide Enterprise Mobility Management Software Forecast, 2016—2020*, July 2016.
- International Data Corporation, *Worldwide Identity and Access Management Forecast, 2016—2020: Mobile and User Behavior Analytics Drive Growth*, August 2016.
- International Data Corporation, *Worldwide Software as a Service and Cloud Software Forecast, 2016—2020*, August 2016.
- Mandiant Corporation, *M-Trends: an evolving threat*, 2012.
- National Center for Education Statistics, *Digest of Education Statistics*: *2015*, December 2016.
- Ponemon Institute LLC, *2016 Cost of Data Breach Study: Global Analysis*, June 2016.
- United States Census Bureau, *Firm Characteristics Data Tables*, 2014.

Gartner, Inc., or Gartner, does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

The Gartner reports described herein, or the Gartner Reports, represent research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Reports are subject to change without notice.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our Class A common stock that we are selling in this offering will be approximately $ million, based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our Class A common stock from us is exercised in full, we estimate that our net proceeds would be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds that we receive from this offering by approximately $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our Class A common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our Class A common stock and facilitate our future access to the public equity markets. We currently intend to use the net proceeds that we will receive from this offering for working capital, other general corporate purposes and to fund our growth strategies, including continued investments in our business, expanding our international footprint and growing demand for our external use case. We may also use a portion of the net proceeds that we receive to acquire or invest in complementary businesses, products, services, technologies or other assets. We have not entered into any agreements or commitments with respect to any acquisitions or investments at this time.

We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering or the amounts we actually spend on the uses set forth above. Pending the use of proceeds from this offering as described above, we plan to invest the net proceeds that we receive in this offering in short-term and intermediate-term interest-bearing obligations, investment-grade investments, certificates of deposit or direct or guaranteed obligations of the U.S. government. Our management will have broad discretion in the application of the net proceeds from this offering and investors will be relying on the judgment of our management regarding the application of the proceeds.

DIVIDEND POLICY

We have never declared or paid any cash dividend on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. In addition, our ability to pay dividends on our capital stock is subject to restrictions under the terms of our credit facility with Silicon Valley Bank. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth cash, cash equivalents and investments, as well as our capitalization, as of October 31, 2016 as follows:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of 59,465,439 shares of our common stock, (ii) the reclassification of our outstanding common stock as Class B common stock and (iii) the reclassification of the redeemable convertible preferred stock warrant liability to additional paid-in capital, which conversion and reclassification will occur immediately prior to the completion of this offering, as if such conversion and reclassification had occurred on October 31, 2016; and
- on a pro forma as adjusted basis, giving effect to the pro forma adjustments set forth above and the sale and issuance by us of shares of our Class A common stock in this offering, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other final terms of this offering. You should read this table together with our financial statements and related notes, and the sections titled "Selected Consolidated Financial Data and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are included elsewhere in this prospectus.

	As of October 31, 2016		
	Actual	Pro Forma	Pro Forma as Adjusted
	(in thousands, except per share data)		
Cash, cash equivalents and short-term investments	$ 42,133	$ 42,133	$
Redeemable convertible preferred stock warrant liability	$ 282	$ —	$
Redeemable convertible preferred stock, $0.0001 par value; 59,494,582 shares authorized, 59,465,439 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma or pro forma as adjusted	227,954	—	
Stockholders' equity (deficit):			
Preferred stock, $0.0001 par value; no shares authorized or issued and outstanding, actual; 100,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, $0.0001 par value; 120,000,000 shares authorized and 19,984,219 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	2	—	
Class A common stock, 0.0001 par value; no shares authorized or issued and outstanding, actual; 1,000,000,000 shares authorized, no shares issued and outstanding, pro forma; 1,000,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	
Class B common stock, $0.0001 par value; no shares authorized or issued and outstanding, actual; 120,000,000 shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted	—	8	
Additional paid-in capital	38,064	266,294	
Accumulated other comprehensive loss	(187)	(187)	
Accumulated deficit	(269,685)	(269,685)	
Total stockholders' equity (deficit)	(231,806)	(3,570)	
Total capitalization	$ 38,563	$ 38,563	$

If the underwriters' option to purchase additional shares of our Class A common stock from us were exercised in full, pro forma as adjusted cash, cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity (deficit) and shares of Class A common stock issued and outstanding as of October 31, 2016 would be $ million, $ million, $ million and shares, respectively.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our cash, cash equivalents and short-term investments, additional paid-in capital, and total stockholders' equity (deficit) by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our Class A common stock offered by us would increase or decrease, as applicable, our cash, cash equivalents and short-term investments, additional paid-in capital, and total stockholders' equity (deficit) by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions payable by us.

The pro forma column in the table above is based on no shares of Class A and 79,449,658 shares of Class B common stock outstanding as of October 31, 2016, and excludes:

- 32,159,524 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that were outstanding as of October 31, 2016, with a weighted-average exercise price of $5.83 per share;
- 4,053,625 shares of our Class B common stock issuable upon the exercise of options to purchase common stock granted after October 31, 2016, with a weighted-average exercise price of $10.57 per share;
- 598,500 shares of our Class B common stock issuable as restricted stock awards granted after October 31, 2016;
- 1,000,000 shares of our Class B common stock issued after October 31, 2016;
- 29,058 shares of Class B common stock issuable upon the exercise of a preferred stock warrant held by Silicon Valley Bank dated November 22, 2011, with an exercise price of $1.38 per share;
- 187,500 shares of Class B common stock issuable upon the exercise of a common stock warrant held by Silicon Valley Bank dated March 10, 2014, with an exercise price of $1.40 per share;
- 300,000 shares of our Class B common stock reserved for issuance to fund and support the operations of Okta for Good, our social impact initiative;
- $125,000 worth of shares of our Class A common stock reserved for future issuance to Tipping Point Community, which represents shares assuming a trading price on the date of grant of $, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus;
- 196,107 shares of our Class B common stock reserved for future issuance pursuant to our 2009 Plan; and
- shares of our Class A common stock reserved for future issuance under our share-based compensation plans to be adopted in connection with this offering, consisting of:
    - shares of our Class A common stock reserved for future issuance under our 2017 Plan; and

- shares of our Class A common stock reserved for future issuance under our ESPP.

Our 2017 Plan and ESPP each provide for annual automatic increases in the number of shares reserved thereunder and our 2017 Plan also provides for increases to the number of shares of Class A common stock that may be granted thereunder based on shares underlying any awards under our 2009 Plan that expire, are forfeited or are otherwise terminated, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our Class A common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of Class A common stock immediately after completion of this offering.

Net tangible book value per share is determined by dividing our total tangible assets less our total liabilities by the number of shares of common stock outstanding. Our historical net tangible book value (deficit) as of October 31, 2016 was $ million, or $ per share. Our pro forma net tangible book value (deficit) as of October 31, 2016 was $ million, or $ per share, based on the total number of shares of our common stock outstanding as of October 31, 2016, after giving effect to the automatic conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock as of October 31, 2016 into an aggregate of 59,465,439 shares of our Class B common stock, and the reclassification of the redeemable convertible preferred stock warrant liability to additional paid-in capital, which conversion and reclassification will occur immediately prior to the completion of this offering.

After giving effect to the sale by us of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of October 31, 2016 would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and immediate dilution of $ per share to investors purchasing shares of our Class A common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value (deficit) per share as of October 31, 2016	$	
Increase in pro forma net tangible book value (deficit) per share attributable to new investors in this offering		
Pro forma as adjusted net tangible book value per share immediately after this offering		
Dilution per share to new investors in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $, and would increase or decrease, as applicable, dilution per share to new investors in this offering by $, assuming that the number of shares of our Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us. In addition, to the extent any outstanding options to purchase Class B common stock are exercised, new investors would experience further dilution. If the underwriters exercise their option to purchase additional shares of our Class A common stock from us in full, the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share.

The following table presents, on a pro forma as adjusted basis as of October 31, 2016, after giving effect to the conversion and reclassification of all outstanding shares of redeemable convertible preferred stock into Class B common stock immediately prior to the completion of this offering, the differences between the existing stockholders and the new investors purchasing shares of our Class A common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of common stock and redeemable convertible preferred stock, cash received from the exercise of stock options, and the average price per share paid or to be paid to us at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Totals		100%	$	100%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us. In addition, to the extent any outstanding options to purchase Class B common stock are exercised, new investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of Class A common stock. If the underwriters exercise their option to purchase additional shares of Class A common stock in full from us, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of Class A and Class B common stock to be outstanding after this offering is based on the number of shares of our common stock outstanding as of October 31, 2016 and excludes:

- 32,159,524 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock that were outstanding as of October 31, 2016, with a weighted-average exercise price of $5.83 per share;
- 4,053,625 shares of our Class B common stock issuable upon the exercise of options to purchase common stock granted after October 31, 2016, with a weighted-average exercise price of $10.57 per share;
- 598,500 shares of our Class B common stock issuable as restricted stock awards granted after October 31, 2016;
- 1,000,000 shares of our Class B common stock issued after October 31, 2016;
- 29,058 shares of Class B common stock issuable upon the exercise of a preferred stock warrant held by Silicon Valley Bank dated November 22, 2011, with an exercise price of $1.38 per share;
- 187,500 shares of Class B common stock issuable upon the exercise of a common stock warrant held by Silicon Valley Bank dated March 10, 2014, with an exercise price of $1.40 per share;

- 300,000 shares of our Class B common stock reserved for issuance to fund and support the operations of Okta for Good, our social impact initiative;
- $125,000 worth of shares of our Class A common stock reserved for future issuance to Tipping Point Community, which represents shares assuming a trading price on the date of grant of $, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus;
- 196,107 shares of our Class B common stock reserved for future issuance pursuant to our 2009 Plan; and
- shares of our Class A common stock reserved for future issuance under our share-based compensation plans to be adopted in connection with this offering, consisting of:
    - shares of our Class A common stock reserved for future issuance under our 2017 Plan; and
    - shares of our Class A common stock reserved for future issuance under our ESPP.

Our 2017 Plan and ESPP each provide for annual automatic increases in the number of shares reserved thereunder and our 2017 Plan also provides for increases to the number of shares of Class A common stock that may be granted thereunder based on shares underlying any awards under our 2009 Plan that expire, are forfeited or are otherwise terminated, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

SELECTED CONSOLIDATED FINANCIAL DATA AND OTHER DATA

The following selected consolidated statements of operations data for the years ended January 31, 2015 and 2016 and the consolidated balance sheet data as of January 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. We derived the selected consolidated statements of operations data for the nine months ended October 31, 2015 and 2016 and the consolidated balance sheet data as of October 31, 2016 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial statements on the same basis as the audited financial statements. We have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those interim consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future and the results for the nine months ended October 31, 2016 are not necessarily indicative of the results to be expected for the full year or any other period. You should read the following selected financial data and other data below in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands, except per share data)			
Revenue				
Subscription	$ 38,138	$ 76,443	$ 52,802	$ 99,125
Professional services and other	2,872	9,464	5,967	12,381
Total revenue	41,010	85,907	58,769	111,506
Cost of revenue				
Subscription[1]	9,818	20,684	14,735	24,523
Professional services and other[1]	8,912	15,340	11,015	15,739
Total cost of revenue	18,730	36,024	25,750	40,262
Gross profit	22,280	49,883	33,019	71,244
Operating expenses:				
Research and development[1]	18,370	28,761	19,879	28,127
Sales and marketing[1]	49,096	77,915	53,693	87,264
General and administrative[1]	13,596	19,195	14,150	21,009
Total operating expenses	81,062	125,871	87,722	136,400
Operating loss	(58,782)	(75,988)	(54,703)	(65,156)
Other income (expense), net	(199)	(19)	(14)	138
Loss before income taxes	(58,981)	(76,007)	(54,717)	(65,018)
Provision for income taxes	130	295	157	267
Net loss	$ (59,111)	$ (76,302)	$ (54,874)	$ (65,285)
Net loss per share[2]:				
Basic and diluted	$ (3.67)	$ (4.28)	$ (3.11)	$ (3.46)
Weighted-average shares outstanding used to compute net loss per share[2]:				
Basic and diluted	16,097	17,817	17,638	18,850
Pro forma net loss per share[2]:				
Basic and diluted		$ (0.99)		$ (0.83)
Pro forma weighted-average shares outstanding used to compute pro forma net loss per share[2]:				
Basic and diluted		77,282		78,315

(1) Amounts include share-based compensation expense as follows:

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Cost of subscription revenue	$ 323	$ 909	$ 600	$ 1,417
Cost of professional services and other revenue	273	553	397	890
Research and development	912	1,748	1,138	2,162
Sales and marketing	1,236	2,853	1,829	4,385
General and administrative	3,836	3,769	3,182	3,015
Total share-based compensation expense	$6,580	$9,832	$ 7,146	$ 11,869

(2) Please refer to Note 13 to our consolidated financial statements for an explanation of the method used to compute the historical and pro forma net loss per share and the number of shares used in the computation of the per share amounts.

	As of January 31,		As of October 31,
	2015	2016	2016
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$ 60,042	$ 87,945	$ 42,133
Working capital	32,050	38,528	(27,329)
Total assets	97,050	149,763	120,777
Deferred revenue, current and non-current portion	47,409	79,525	99,818
Redeemable convertible preferred stock warrant liability	110	237	282
Redeemable convertible preferred stock	154,530	227,954	227,954
Total stockholders' deficit	(117,198)	(181,062)	(231,806)

Other Financial Measures and Key Metrics

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(dollars in thousands)			
Gross profit	$ 22,280	$ 49,883	$ 33,019	$ 71,244
Non-GAAP gross profit	$ 23,062	$ 51,535	$ 34,158	$ 73,693
Gross margin	54%	58%	56%	64%
Non-GAAP gross margin	56%	60%	58%	66%
Operating loss	$(58,782)	$ (75,988)	$(54,703)	$ (65,156)
Non-GAAP operating loss	$(51,247)	$ (65,935)	$(47,384)	$ (53,145)
Operating margin	(143)%	(88)%	(93)%	(58)%
Non-GAAP operating margin	(125)%	(77)%	(81)%	(48)%
Net cash used in operating activities	$(32,749)	$ (41,536)	$(32,575)	$ (35,399)
Net cash provided by (used in) investing activities	$(48,571)	$ 1,160	$ (6,176)	$ 2,568
Net cash provided by financing activities	$ 77,313	$ 76,841	$ 75,993	$ 462
Free Cash Flow	$(35,694)	$ (48,237)	$(36,968)	$ (44,038)
Customers (period end)	1,320	2,225	2,000	2,906
Calculated Billings	$ 68,100	$118,023	$ 80,919	$131,799
Dollar-Based Retention Rate for the trailing 12 months ended	129%	120%	122%	124%

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles, or GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP

financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance, and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, adjusted for share-based compensation expense and amortization of acquired intangibles.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(dollars in thousands)			
Gross profit	$22,280	$49,883	$33,019	$71,244
Add:				
Share-based compensation expense included in cost of revenue	596	1,462	997	2,307
Amortization of acquired intangibles	186	190	142	142
Non-GAAP gross profit	$23,062	$51,535	$34,158	$73,693
Gross margin	54%	58%	56%	64%
Non-GAAP gross margin	56%	60%	58%	66%

Non-GAAP Operating Loss and Non-GAAP Operating Margin

We define non-GAAP operating loss and non-GAAP operating margin as GAAP operating loss and GAAP operating margin, adjusted for share-based compensation expense, amortization of acquired intangibles and acquisition related compensation expense.

	Year ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(dollars in thousands)			
Operating loss	$(58,782)	$(75,988)	$(54,703)	$(65,156)
Add:				
Share-based compensation expense	6,580	9,832	7,146	11,869
Amortization of acquired intangibles	186	190	142	142
Acquisition related compensation expense	769	31	31	—
Non-GAAP operating loss	$(51,247)	$(65,935)	$(47,384)	$(53,145)
Operating margin	(143)%	(88)%	(93)%	(58)%
Non-GAAP operating margin	(125)%	(77)%	(81)%	(48)%

Free Cash Flow

We define Free Cash Flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Net cash used in operating activities	$ (32,749)	$ (41,536)	$ (32,575)	$ (35,399)
Less:				
Purchases of property and equipment	(1,182)	(4,093)	(2,408)	(4,647)
Capitalized internal-use software costs	(1,763)	(2,608)	(1,985)	(3,992)
Free Cash Flow	$ (35,694)	$ (48,237)	$ (36,968)	$ (44,038)
Net cash provided by (used in) investing activities	$ (48,571)	$ 1,160	$ (6,176)	$ 2,568
Net cash provided by financing activities	$ 77,313	$ 76,841	$ 75,993	$ 462

Calculated Billings

We define Calculated Billings as total revenue plus the change in deferred revenue during the period.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Total revenue	$ 41,010	$ 85,907	$ 58,769	$111,506
Add:				
Deferred revenue (end of period)	47,409	79,525	69,559	99,818
Less:				
Deferred revenue (beginning of period)	(20,319)	(47,409)	(47,409)	(79,525)
Calculated Billings	$ 68,100	$118,023	$ 80,919	$131,799

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

You should read the following discussion and analysis of our financial condition and results of operations together with the "Selected Consolidated Financial Data and Other Data" and the consolidated financial statements and related notes that are included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" or in other parts of this prospectus. Our fiscal year ends January 31.

Overview

Okta is the leading independent provider of identity for the enterprise. Okta pioneered identity in the cloud. The Okta Identity Cloud is our category-defining platform that enables our customers to securely connect people to technology, anywhere, anytime and from any device. Every business day, over two million people use Okta to securely access a wide range of cloud applications, websites, mobile applications and services from a multitude of devices. Workforces sign into our platform to seamlessly access the applications they need to do their most important work. Organizations use our platform to provide their customers with more modern experiences online and via mobile devices, and to connect with partners to streamline their operations. Developers leverage our platform to securely embed identity into their software.

Our approach to identity eliminates duplicative, sprawling credentials and disparate authentication policies, allowing our customers to simplify and scale their IT infrastructures more efficiently as the number of users, devices, clouds and other technologies in their ecosystem grows. With the Okta Identity Cloud, our customers are able to achieve fast time to value, lower costs and increase efficiency while improving compliance and providing security that is persistent, perimeter-less and context-aware. These benefits are delivered through multiple products on a unified platform, superior cloud architecture and our vast and increasing network of integrations.

We founded the company in 2009 to reinvent identity for the modern cloud era. From the beginning we recognized that identity is the foundation for connections and trust between users and technology. Since our inception, we have consistently innovated to enhance our platform and expand our product offerings, including the following key milestones:

- In 2010, we launched our first product, Single Sign-On, to provide employees with seamless access to all of their web applications and enable IT to securely integrate cloud applications with their corporate directory and provision users.
- In 2013, we added our Universal Directory product and expanded our provisioning integrations to cloud applications. Universal Directory provided a way to rationalize complex directory infrastructure while the provisioning integrations improved our ability to secure access to applications.
- In 2014, we introduced our Mobility Management product to extend the Okta Identity Cloud to provision, manage and secure any smartphone, tablet or laptop and its associated native applications in an integrated way with our Single Sign On and Universal Directory products.
- Also in 2014, we opened the APIs of the Okta Identity Cloud to enable organizations to leverage our platform to develop web and mobile applications for their customers, suppliers and partners.
- In 2015, we added our Adaptive Multi-Factor Authentication product to provide an additional layer of application and data security.

- In 2016, we launched our Lifecycle Management product to expand our provisioning capabilities across all of our product offerings and add workflow to automate identity related business processes.
- Also in 2016, we expanded our platform to manage application access to APIs with our API Access Management Product, creating a new class of application, service and IoT use cases.

In parallel to this product innovation, we have rapidly expanded the breadth and depth of the Okta Application Network, which provides customers with a pre-integrated set of cloud, mobile and web applications that spans the functionality of our products. As of October 31, 2016, we had over 5,000 integrations with third-party software applications.

We offer our platform through a SaaS business model. We focus on adding and retaining customers and increasing their spending with us through expanding the number of users who access our platform and up-selling additional products. We sell our solution directly through our field and inside sales teams, as well as indirectly through channel partners. Our subscription fees include the use of our service and our technical support and management of our platform. We base subscription fees primarily on the products used and the number of users on our platform, both internal and external. We generate subscription fees pursuant to noncancelable contracts with a weighted-average duration of 2.4 years. We typically invoice customers in advance in annual installments for subscriptions to our platform.

Our revenue has grown significantly. For the years ended January 31, 2015 and 2016, our revenue was $41.0 million and $85.9 million, respectively, representing a 109% growth rate. For the nine months ended October 31, 2015 and 2016, our revenue was $58.8 million and $111.5 million, respectively, representing a 90% growth rate. For the years ended January 31, 2015 and 2016, and for the nine months ended October 31, 2015 and 2016, we generated net losses of $59.1 million, $76.3 million, $54.9 million and $65.3 million, respectively. Our accumulated deficit as of October 31, 2016 was $269.7 million.

Opportunities, Challenges and Risks

We believe that the growth of our business and our future success are dependent upon many factors, including the market adoption of the Okta Identity Cloud, the success of continued investments in our business, our international expansion efforts and growth in demand for our external use case. While each of these areas presents significant opportunities for us, they also pose important challenges and risks that we must successfully address in order to sustain the growth of our business and improve our results of operations. The timing of our future profitability, if we achieve profitability at all, will depend upon many variables, including the success of our growth strategies and the timing and size of investments and expenditures that we choose to undertake, as well as market growth and other factors that are not within our control. See “—Key Factors Affecting Our Performance”.

Our Business Model

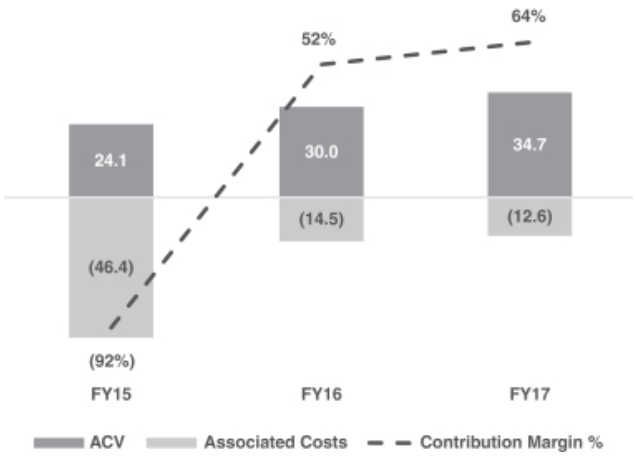
We seek to increase the value of the new customers we acquire by serving their needs, retaining their business and expanding our relationships over time. We monetize our platform through subscriptions that provide recurring revenue over the contract terms. We endeavor to have our customers renew their contracts and increase their spending with us over time as they deploy our platform more broadly or as they purchase additional products. As a result, we expect the revenue generated from a typical customer over its lifetime to exceed that of its initial contract. In addition, the cost to maintain and renew existing customers is significantly less than the cost to initially win new customers. As a result, the value of a customer to our business increases over time as the customer remains a subscriber to our platform. Because our subscription revenue is recognized over the noncancelable contract term, certain expenses incurred and recognized in acquiring a customer have been greater than the associated revenue contribution in the initial year of the contract. We have chosen to invest significantly in growing our customer base from which we can expand our

relationships and increase contribution margin over time. We believe that as our customer base grows and a relatively higher percentage of our subscription revenue is attributable to renewals and upsells to existing customers, versus acquisition of new customers, associated sales and marketing expenses and other allocated upfront costs will decrease as a percentage of revenue.

To illustrate the economics of our customer relationships, we are providing a contribution margin analysis of the customers we acquired during the fiscal year ended January 31, 2015, which we refer to as the 2015 Cohort. We believe the 2015 Cohort is a fair representation of our overall customer base because it includes customers across industries and segments, and reflects growth within our customers from both additional identities as well as adoption of additional products we released prior to 2015. We define contribution margin as the annual contract value of subscription commitments, or ACV, from the customer cohort at the end of a period less the associated cost of subscription revenue and sales and marketing expenses. A significant majority of our sales and marketing expenses are dedicated to acquiring new customers and these costs are mainly associated with the newest cohort in a given period.

Costs of subscription revenue include the costs related to hosting our platform and providing ongoing customer support. Allocated sales and marketing expenses include personnel costs associated with the sales and marketing teams that convert the customer, such as salaries, sales commissions and marketing program expenses. Costs of subscription revenue and allocated sales and marketing expenses included in the contribution margin analysis exclude share-based compensation, amortization of acquired intangibles, and acquisition related compensation expenses.

In fiscal year 2015, the 2015 Cohort represented $24.1 million in ACV and $46.4 million in associated costs to acquire these customers, representing a contribution margin of (92)%. In fiscal year 2016, the 2015 Cohort represented $30.0 million in ACV and $14.5 million in associated costs, representing a contribution margin of 52%. In fiscal year 2017, the 2015 Cohort represented $34.7 million in ACV and $12.6 million in associated costs, representing a contribution margin of 64%.



The contribution margin of our customer cohorts will fluctuate from one period to another depending upon the number of customers remaining in each cohort, our ability to upsell additional products and number of users and the timing of when we are able to generate these sales, changes in customer subscription fees, and changes in our associated costs. We may not experience similar financial outcomes from future customers. The methods used to measure contribution margin have been refined over time, such that we do not have consistent corresponding information for prior

historical periods that would allow us to present additional historical cohorts, and the ACV, associated costs and contribution margins from such cohorts could vary.

The relationship of ACV to costs of revenue and sales and marketing expenses is not necessarily indicative of future performance and we cannot predict whether future contribution margin analyses will be similar to the above analysis. Our contribution margin does not reflect professional services revenue or the related cost of revenue due to the variability across professional services engagements. In addition, we exclude all research and development and general and administrative expenses from this analysis because these expenses support the growth of our business broadly and benefit all users, customers, technology partners and third-party developers. Other companies may calculate contribution margin differently and, therefore, the cohort analyses of other companies may not be directly comparable to ours. We have not yet achieved profitability, and even if our revenue exceeds our variable costs over time, we may not be able to achieve or maintain profitability.

Key Factors Affecting Our Performance

We believe that the growth of our business and our future success are dependent upon many factors. While each of these factors presents significant opportunities for us, these factors also pose important challenges that we must successfully address in order to sustain the growth of our business and improve our results of operations.

Market Adoption of the Okta Identity Cloud. We believe there is a large opportunity for our differentiated identity-centric platform. As organizations continue to shift to the cloud and adopt mobile and API solutions, we believe the demand for our platform will increase across new and existing customers. Our success is dependent on the market adoption of these solutions.

Continued Investment in Our Business. We intend to continue investing in our organization to acquire additional customers, increase monetization of existing customers, and further scale the Okta Identity Cloud. Our investment in sales and marketing is significant given the need to educate customers and address our large market opportunity. We have invested, and expect to continue to invest, heavily in our sales and marketing teams and our development efforts. Any investments we make in our sales and marketing organization will occur in advance of experiencing benefits from such investments, so it may be difficult for us to determine if we are efficiently allocating our resources in those areas. As our platform scales, we believe our network effects, which include the benefits associated with increased integrations with our platform, channel-led sales and increased efficiency in our direct sales, will drive leverage in our sales efforts.

Expand Our International Footprint. Our revenue generated outside of the United States during the years ended January 31, 2015 and 2016 was 9% and 12% of our total revenue, respectively, and 10% and 14% of our total revenue for the nine months ended October 31, 2015 and 2016, respectively. We believe global demand for our products will continue to increase as international organizations fully embrace cloud and mobile computing. Accordingly, we believe there is significant opportunity to grow our international business. We have invested, and plan to continue to invest, ahead of this potential demand in personnel, marketing and access to data center capacity to support our international growth.

Growth in Demand for External Use Cases. Although our initial focus was on internal use cases, we have discovered a large and growing opportunity for external use cases on the Okta Identity Cloud. We first launched external use case solutions in 2013. A key factor in our success is our ability to capitalize on the increase in organizations using software for such external use cases, to connect directly to their supply chains, partners and customers. As awareness of and demand for the reliability, resilience, efficiency and scalability of solutions for external use cases continues to grow, we believe demand for our products will increase. We expect to incur significant expenses as we build awareness and develop additional products focused on this opportunity.

Key Business Metrics

We review a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(dollars in thousands)			
Customers (period end)	1,320	2,225	2,000	2,906
Calculated Billings	$ 68,100	$ 118,023	$ 80,919	$ 131,799
Dollar-Based Retention Rate for the trailing 12 months ended	129%	120%	122%	124%

Number of Customers

We believe that our ability to increase the number of customers on our platform is an indicator of our market penetration, the growth of our business, and our potential future business opportunities. Increasing awareness of our platform and capabilities, coupled with the mainstream adoption of cloud technology, has expanded the diversity of our customer base to include organizations of all sizes across all industries. Over time, larger customers have constituted a greater share of our revenue, which has contributed to an increase in average revenue per customer. The number of customers who have greater than $100,000 in annual contract value with us was 140, 255 and 443 as of January 31, 2015, 2016 and 2017, respectively. We expect this trend to continue as larger enterprises recognize the value of our platform and replace their legacy IAM infrastructure. We define a customer as a separate and distinct buying entity, such as a company, an educational or government institution, or a distinct business unit of a large company that has an active contract with us or one of our partners to access our platform.

Calculated Billings

Calculated Billings represent our total revenue plus the change in deferred revenue in the period. Calculated Billings in any particular period reflects sales to new customers plus subscription renewals and upsells to existing customers, and represent amounts invoiced for subscription, support and professional services. We typically invoice customers in advance in annual installments for subscriptions to our platform.

Calculated Billings increased 73% in the year ended January 31, 2016 over the year ended January 31, 2015, and 63% in the nine months ended October 31, 2016 over the nine months ended October 31, 2015. As our Calculated Billings continue to grow in absolute terms, we expect our Calculated Billings growth rate to trend down over time. See the section titled “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” for additional information and a reconciliation of Calculated Billings to total revenue.

Dollar-Based Retention Rate

Our ability to generate revenue is dependent upon our ability to maintain our relationships with our customers and to increase their utilization of our platform. We believe we can achieve these goals by focusing on delivering value and functionality that enables us to both retain our existing customers and expand the number of users and products used within an existing customer. We assess our performance in this area by measuring our Dollar-Based Retention Rate. Our Dollar-Based Retention Rate measures our ability to increase revenue across our existing customer base through expansion of users and products associated with a customer as offset by churn and contraction in the number of users or products associated with a customer.

Our Dollar-Based Retention Rate is based upon our ACV. ACV for a customer is calculated based on the terms of that customer's contract and represents the total contracted annual subscription amount as of that period end. We calculate our Dollar-Based Retention Rate as of a period end by starting with the ACV from all customers as of twelve months prior to such period end, or Prior Period ACV. We then calculate the ACV from these same customers as of the current period end, or Current Period ACV. Current Period ACV includes any upsells and is net of contraction or attrition over the trailing twelve months but excludes revenue from new customers in the current period. We then divide the total Current Period ACV by the total Prior Period ACV to arrive at our Dollar-Based Retention Rate.

Our Dollar-Based Retention Rate has consistently exceeded 100% and is primarily attributable to an expansion of users and up-selling additional products within our existing customers. Larger enterprises often implement a limited initial deployment of our platform before increasing their deployment on a broader scale.

Components of Results of Operations

Revenue

Subscription Revenue. Subscription revenue primarily consists of fees for access to our cloud-based platform and related support. We generate subscription fees pursuant to noncancelable contracts with a weighted-average duration of 2.4 years. Subscription revenue is driven primarily by the number of customers, the number of users per customer and the products used. We typically invoice customers in advance in annual installments for subscriptions to our platform. We recognize subscription revenue ratably over the term of the subscription period beginning on the date access to our platform is provided, providing all other revenue recognition criteria have been met.

Professional Services and Other Revenue. Professional services revenue includes fees from assisting customers in implementing and optimizing the use of our products. These services include application configuration, system integration and training services.

Historically, our professional services were priced predominantly on a fixed-fee basis, but during fiscal 2016, we began shifting our pricing model for professional services to a time and materials basis. In the future, we expect the majority of our professional services will be priced on a time and materials basis.

We generally invoice customers monthly as the work is performed for time and materials arrangements. We generally have standalone value for our professional services and recognize revenue for the estimated fair value as a separate unit of accounting as services are performed or for those historic fixed-fee contracts, upon completion of the services.

Overhead Allocation and Employee Compensation Costs

We allocate shared costs, such as facilities (including rent, utilities and depreciation on equipment shared by all departments), information technology costs, and recruiting costs to all departments based on headcount. As such, allocated shared costs are reflected in each cost of revenue and operating expense category. Employee compensation costs include salaries, bonuses, benefits and share-based compensation for each operating expense category and sales commissions for sales and marketing.

Cost of Revenue and Gross Margin

Cost of Subscription Revenue. Cost of subscription revenue primarily consists of expenses related to hosting our service and providing support. These expenses include employee-related costs for employees associated with our cloud-based infrastructure and our customer support organizations, third-party hosting fees, software and maintenance costs, outside services associated with the delivery of our subscription services, travel-related costs, amortization expense associated with capitalized internal-use software and acquired technology, and allocated overhead.

We intend to continue to invest additional resources in our platform infrastructure and our platform support organizations. As we continue to invest in technology innovation, we expect to have increased capitalized internal-use software costs and related amortization. We expect our investment

in technology to expand the capability of our platform enabling us to improve our gross margin over time. The level and timing of investment in these areas could affect our cost of subscription revenue in the future.

Cost of Professional Services and Other Revenue. Cost of professional services consists primarily of employee-related costs for our professional services delivery team, travel-related costs, and costs of outside services associated with supplementing our internal staff. The cost of providing professional services has historically been higher than the associated revenue we generate.

Gross Margin. Gross margin is gross profit expressed as a percentage of total revenue. Our gross margin may fluctuate from period to period as our revenue fluctuates, and as a result of the timing and amount of investments to expand our hosting capacity, our continued efforts to build platform support and professional services teams, increased share-based compensation expenses, as well as the amortization of costs associated with capitalized internal-use software and acquired intangible assets.

Operating Expenses

Research and Development. Research and development expenses consist primarily of employee compensation costs and overhead allocation. We believe that continued investment in our platform is important for our growth. We expect our research and development expenses will increase in absolute dollars as our business grows.

Sales and Marketing. Sales and marketing expenses consist primarily of employee compensation costs, costs of general marketing activities and promotional activities, travel-related expenses and allocated overhead. Commissions earned by our sales force that are direct and incremental and can be associated specifically with a noncancelable subscription contract are deferred and amortized over the same period that revenue is recognized for the related noncancelable contract. We expect our sales and marketing expenses will increase in absolute dollars and continue to be our largest operating expense category for the foreseeable future as we expand our sales and marketing efforts. However, we expect our sales and marketing expenses to decrease as a percentage of our revenue as our revenue grows.

General and Administrative. General and administrative expenses consist primarily of employee compensation costs for finance, accounting, legal and human resources personnel. In addition, general and administrative expenses include non-personnel costs, such as legal and other professional fees, and all other supporting corporate expenses not allocated to other departments.

Following the completion of this offering, we expect to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the Securities and Exchange Commission, and increased expenses for insurance, investor relations, and professional services. We expect our general and administrative expenses will increase in absolute dollars as our business grows.

Other Expense, Net

Other expense, net consists primarily of the revaluation of our redeemable convertible preferred stock warrant liability and interest expense, partially offset by interest income from our investment holdings.

Provision for Income Taxes

Provision for income taxes consists of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred assets will be realized.

Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our revenue:

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Revenue				
Subscription	$ 38,138	$ 76,443	$ 52,802	$ 99,125
Professional services and other	2,872	9,464	5,967	12,381
Total revenue	41,010	85,907	58,769	111,506
Cost of revenue				
Subscription(1)	9,818	20,684	14,735	24,523
Professional services and other(1)	8,912	15,340	11,015	15,739
Total cost of revenue	18,730	36,024	25,750	40,262
Gross profit	22,280	49,883	33,019	71,244
Operating expenses:				
Research and development(1)	18,370	28,761	19,879	28,127
Sales and marketing(1)	49,096	77,915	53,693	87,264
General and administrative(1)	13,596	19,195	14,150	21,009
Total operating expenses	81,062	125,871	87,722	136,400
Operating loss	(58,782)	(75,988)	(54,703)	(65,156)
Other income (expense), net	(199)	(19)	(14)	138
Loss before income taxes	(58,981)	(76,007)	(54,717)	(65,018)
Provision for income taxes	130	295	157	267
Net loss	$(59,111)	$ (76,302)	$(54,874)	$ (65,285)

(1) Includes share-based compensation expense as follows:

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Cost of subscription revenue	$ 323	$ 909	$ 600	$ 1,417
Cost of professional services and other revenue	273	553	397	890
Research and development	912	1,748	1,138	2,162
Sales and marketing	1,236	2,853	1,829	4,385
General and administrative	3,836	3,769	3,182	3,015
Total share-based compensation expense	$6,580	$9,832	$ 7,146	$ 11,869

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
Revenue				
Subscription	93%	89%	90%	89%
Professional services and other	7	11	10	11
Total revenue	100	100	100	100
Cost of revenue				
Subscription	24	24	25	22
Professional services and other	22	18	19	14
Total cost of revenue	46	42	44	36
Gross profit	54	58	56	64
Operating expenses:				
Research and development	45	34	34	25
Sales and marketing	120	91	91	78
General and administrative	33	22	24	19
Total operating expenses	198	147	149	122
Operating loss	(144)	(89)	(93)	(58)
Other income (expense), net	—	—	—	—
Loss before income taxes	(144)	(89)	(93)	(58)
Provision for income taxes	—	—	—	—
Net loss	(144)%	(89)%	(93)%	(58)%

Comparison of the Nine Months Ended October 31, 2015 and 2016

Revenue

	Nine Months Ended October 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Revenue:				
Subscription	$52,802	$ 99,125	$ 46,323	88%
Professional services and other	5,967	12,381	6,414	107
Total revenue	$58,769	$111,506	$ 52,737	90
Percentage of revenue:				
Subscription	90%	89%		
Professional services and other	10	11		
Total	100%	100%		

Subscription revenue increased by $46.3 million, or 88%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015. The increase was primarily due to the addition of new customers, as our number of customers increased by 45% from October 31, 2015 to October 31, 2016, as well as an increase in users and sales of additional products at existing customers as reflected by our Dollar-Based Retention Rate of 124% for the nine-month period ended October 31, 2016.

Professional services and other revenue increased by $6.4 million, or 107%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015. The increase in professional services revenue primarily related to an increase in implementation services associated with an increase in the number of new customers purchasing our subscription services and the timing of completion of certain fixed fee projects.

Cost of Revenue, Gross Profit and Gross Margin

	Nine Months Ended October 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Cost of revenue:				
Subscription	$14,735	$24,523	$ 9,788	66%
Professional services and other	11,015	15,739	4,724	43
Total cost of revenue	$25,750	$40,262	$ 14,512	56
Gross profit	$33,019	$71,244	$ 38,225	116
Gross margin:				
Subscription	72%	75%		
Professional services and other	(85)	(27)		
Total gross margin	56	64		

Cost of subscription revenue increased by $9.8 million, or 66%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015, primarily due to an increase of $5.4 million in employee compensation costs related to higher headcount to support the growth in our subscription services, an increase of $1.7 million in data center costs as we increased capacity to support our growth, an increase of $0.9 million in allocated overhead costs to support our personnel growth, and an increase of $0.6 million related to the amortization of capitalized internal-use software costs due to the continued development of our software platform.

Our gross margin for subscription revenue increased from 72% during the nine months ended October 31, 2015 to 75% during the nine months ended October 31, 2016, due to economies of scale as our subscription revenue increased. While our gross margins for subscription revenue may fluctuate in the near-term as we invest in our growth, we expect our subscription revenue gross margin to increase over time as we achieve additional economies of scale.

Cost of professional services and other revenue increased by $4.7 million, or 43%, for the nine months ended October 31, 2016, compared to the nine months ended October 31, 2015, primarily due to an increase of $3.2 million in employee compensation costs related to higher headcount, an increase of $0.6 million in allocated overhead costs, and an increase of $0.4 million for cost of contract labor used in deployment of professional services.

Our gross margin for professional services and other revenue improved from (85)% during the nine months ended October 31, 2015 to (27)% during the nine months ended October 31, 2016, primarily due to the recognition of revenue on contracts completed during the period for which amounts were previously recorded in deferred revenue. During the year ended January 31, 2016, we shifted how we price our professional services from being primarily on a fixed-fee basis to pricing on a time and materials basis. We expect our gross margin from professional services revenue will continue to improve as we realize the benefits of this shift in our pricing model to primarily time and materials.

Operating Expenses

Research and Development Expenses

	Nine Months Ended October 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Research and development	$19,879	$28,127	$ 8,248	41%
Percentage of revenue	34%	25%		

Research and development expenses increased $8.2 million, or 41%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015. The increase was primarily due to an increase in employee compensation costs of $7.8 million, and an increase in allocated overhead costs of $1.5 million. These increases were partially offset by an increase of $2.0 million of capitalized internal-use software costs.

Sales and Marketing Expenses

	Nine Months Ended October 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Sales and marketing	$53,693	$87,264	$ 33,571	63%
Percentage of revenue	91%	78%		

Sales and marketing expenses increased $33.6 million, or 63%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015. The increase was primarily due to an increase in employee compensation costs of $21.4 million related primarily to higher headcount, an increase in marketing and event costs of $5.7 million primarily driven by increases in demand generation programs, advertising, sponsorships, a larger annual customer conference, and brand awareness efforts aimed at acquiring new customers, an increase in allocated overhead costs of $3.3 million, an increase in travel and related costs of $2.5 million, and an increase in software licensing and related costs of $0.6 million.

General and Administrative Expenses

	Nine Months Ended October 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
General and administrative	$14,150	$21,009	$ 6,859	48%
Percentage of revenue	24%	19%		

General and administrative expenses increased $6.9 million, or 48%, for the nine months ended October 31, 2016 compared to the nine months ended October 31, 2015. The increase was primarily due to an increase in employee compensation costs of $3.2 million related to higher headcount to support our continued growth, an increase of $2.0 million in costs from professional services comprised primarily of legal, accounting, and consulting fees, and increases in allocated overhead costs of $0.9 million.

Comparison of the Years Ended January 31, 2015 and 2016

Revenue

	Year Ended January 31,		Period-to-period change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Revenue:				
Subscription	$38,138	$76,443	$ 38,305	100%
Professional services and other	2,872	9,464	6,592	230
Total revenue	$41,010	$85,907	$ 44,897	109
Percentage of revenue:				
Subscription	93%	89%		
Professional services and other	7	11		
Total	100%	100%		

Subscription revenue increased by $38.3 million, or 100%, for the year ended January 31, 2016 compared to the year ended January 31, 2015. The increase was primarily due to the addition of new customers, as our number of customers increased by 69% from January 31, 2015 to January 31, 2016, and an increase in users and sales of additional products at existing customers as reflected by our Dollar-Based Retention Rate of 120% for the period ended January 31, 2016.

Professional services and other revenue increased by $6.6 million, or 230%, for the year ended January 31, 2016 compared to the year January 31, 2015. The increase in professional services revenue primarily related to an increase in implementation services associated with an increase in the number of new customers purchasing our subscription services and the timing of completion of certain fixed fee projects.

Cost of Revenue, Gross Profit and Gross Margin

	Years Ended January 31,		Period-to-period change	
	2015	2016	Change	% Change
	(dollars in thousands)			
Cost of revenue:				
Subscription	$ 9,818	$20,684	$10,866	111%
Professional services and other	8,912	15,340	6,428	72
Total cost of revenue	$18,730	$36,024	$17,294	92
Gross profit	$22,280	$49,883	$27,603	124
Gross margin:				
Subscription	74%	73%		
Professional services and other	(210)	(62)		
Total gross margin	54	58		

Cost of subscription revenue increased by $10.9 million, or 111%, for the year ended January 31, 2016, compared to the year ended January 31, 2015, primarily due to an increase of $5.1 million in employee compensation costs related to higher headcount to support the growth in our subscription services, an increase of $2.4 million in data center costs as we increased capacity to support our growth, an increase of $1.0 million in allocated overhead costs to support our personnel growth, an increase of $0.9 million in software licensing costs directly associated with the delivery of our

subscription services, and an increase of $0.5 million related to the amortization of capitalized internal-use software costs due to the continued internal development of our software platform.

Our gross margin for subscription revenue decreased from 74% during the year ended January 31, 2015 to 73% during the year ended January 31, 2016, primarily due to investment in our infrastructure, including increasing our data center capacity.

Cost of professional services and other revenue increased by $6.4 million, or 72%, for the year ended January 31, 2016 compared to the year ended January 31, 2015, primarily due to an increase of $3.6 million in employee compensation costs related to higher headcount, an increase of $1.1 million for work performed by contractors for engagements where we had contracted directly with the customer to perform the professional services, an increase of $0.9 million in allocated overhead costs, and an increase of $0.7 million in travel and related costs.

Our gross margin for professional services and other revenue improved from (210)% during the year ended January 31, 2015 to (62)% during the year ended January 31, 2016, primarily due to a shift during fiscal 2016 in how we price our professional services from a fixed-fee basis to a time and materials basis, and to a lesser extent improved efficacy of our professional services personnel.

Operating Expenses

Research and Development Expenses

	Year Ended January 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Research and development	$18,370	$28,761	$ 10,391	57%
Percentage of revenue	45%	34%		

Research and development expenses increased $10.4 million, or 57%, for the year ended January 31, 2016 compared to the year ended January 31, 2015. The increase was primarily due to an increase in employee compensation costs of $9.1 million and an increase in allocated overhead costs of $1.8 million. These increases were partially offset by an increase of $0.8 million of capitalized internal-use software costs.

Sales and Marketing Expenses

	Year Ended January 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
Sales and marketing	$49,096	$77,915	$ 28,819	59%
Percentage of revenue	120%	91%		

Sales and marketing expenses increased $28.8 million, or 59%, for the year ended January 31, 2016 compared to the year ended January 31, 2015. The increase was primarily due to an increase in employee compensation costs of $17.2 million related primarily to higher headcount, an increase in marketing and event costs of $5.0 million primarily driven by increases in demand generation programs, advertising, sponsorships, a larger annual customer conference, and brand awareness efforts aimed at acquiring new customers, an increase in allocated overhead costs of $3.1 million and an increase in travel and related costs of $2.4 million.

General and Administrative Expenses

	Year Ended January 31,		Period-to-period Change	
	2015	2016	Amount	% Change
	(dollars in thousands)			
General and administrative	$13,596	$19,195	$ 5,599	41%
Percentage of revenue	33%	22%		

General and administrative expenses increased $5.6 million, or 41%, for the year ended January 31, 2016 compared to the year ended January 31, 2015. The increase was primarily due to an increase in employee compensation costs of $2.2 million related to higher headcount to support our continued growth, increases in allocated overhead costs of $2.3 million and an increase of $0.9 million in costs for professional services comprised primarily of legal and accounting fees.

Quarterly Results of Operations Data and Other Data

The following tables set forth selected unaudited consolidated quarterly statements of operations data for each of the seven fiscal quarters ended October 31, 2016, as well as the percentage of revenue that each line item represents for each quarter. The information for each of these quarters has been prepared on the same basis as the audited annual consolidated financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for the remainder of fiscal 2017 or for any future period.

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(in thousands)						
Revenue							
Subscription	$ 14,535	$ 17,944	$ 20,323	$ 23,641	$ 27,563	$ 33,439	$ 38,123
Professional services	1,125	1,694	3,148	3,497	4,224	3,997	4,160
Total revenue	15,660	19,638	23,471	27,138	31,787	37,436	42,283
Cost of revenue							
Subscription[1]	3,941	5,075	5,719	5,949	7,460	8,466	8,597
Professional services[1]	3,143	3,605	4,267	4,325	4,919	5,314	5,506
Total cost of revenue	7,084	8,680	9,986	10,274	12,379	13,780	14,103
Gross profit	8,576	10,958	13,485	16,864	19,408	23,656	28,180
Operating expenses:							
Research and development[1]	6,058	6,558	7,263	8,882	8,766	9,655	9,706
Sales and marketing[1]	14,778	18,296	20,619	24,222	26,401	28,421	32,442
General and administrative[1]	3,242	3,922	6,986	5,045	6,945	6,142	7,922
Total operating expenses	24,078	28,776	34,868	38,149	42,112	44,218	50,070
Operating loss	(15,502)	(17,818)	(21,383)	(21,285)	(22,704)	(20,562)	(21,890)
Other income (expense), net	52	(14)	(52)	(5)	32	56	50
Loss before income taxes	(15,450)	(17,832)	(21,435)	(21,290)	(22,672)	(20,506)	(21,840)
Provision for income taxes	28	61	68	138	81	95	91
Net loss	$ (15,478)	$ (17,893)	$ (21,503)	$ (21,428)	$ (22,753)	$ (20,601)	$ (21,931)

(1) Amounts include share-based compensation expense as follows:

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(in thousands)						
Cost of subscription revenue	$ 138	$ 194	$ 268	$ 309	$ 393	$ 446	$ 578
Cost of professional services revenue	93	102	202	156	273	313	304
Research and development	331	323	484	610	618	736	808
Sales and marketing	398	562	869	1,024	1,354	1,412	1,619
General and administrative	196	287	2,699	587	731	757	1,527
Total share-based compensation expense	$ 1,156	$ 1,468	$ 4,522	$ 2,686	$ 3,369	$ 3,664	$ 4,836

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
Revenue							
Subscription	93%	91%	87%	87%	87%	89%	90%
Professional services	7	9	13	13	13	11	10
Total revenue	100	100	100	100	100	100	100
Cost of revenue							
Subscription	25	26	24	22	23	23	20
Professional services	20	18	18	16	15	14	13
Total cost of revenue	45	44	42	38	38	37	33
Gross profit	55	56	58	62	62	63	67
Operating expenses:							
Research and development	39	33	31	33	28	26	23
Sales and marketing	94	93	88	89	83	76	77
General and administrative	21	20	30	19	22	16	19
Total operating expenses	154	146	149	141	133	118	119
Operating loss	(99)	(90)	(91)	(79)	(71)	(55)	(52)
Other income (expense), net	—	—	—	—	—	—	—
Loss before income taxes	(99)	(90)	(91)	(79)	(71)	(55)	(52)
Provision for income taxes	—	—	—	1	—	—	—
Net loss	(99)%	(90)%	(91)%	(80)%	(71)%	(55)%	(52)%

Quarterly Revenue Trends

Our quarterly revenue increased sequentially in each of the periods presented due primarily to increases in the number of new customers as well as expansion within existing customers and sales of new products. We have typically acquired more new customers in the fourth quarter of our fiscal year, though this seasonality is sometimes not immediately apparent in our revenue due to the fact that we recognize subscription revenue over the term of the contract. Our contracts have a weighted-average duration of 2.4 years. Our professional services and other revenue increased significantly in the three months ended October 31, 2015, January 31, 2016 and April 30, 2016 due to the timing of completion of certain fixed fee projects. Beginning in the three months ended April 30, 2016, we began to see the impact of migrating more of the pricing for our professional services engagements to a time and materials basis. With this change, we expect the impact of fixed fee project completions on professional services revenue to be less significant in future periods.

Quarterly Cost of Revenue and Gross Margin Trends

Our quarterly gross margin has generally been increasing due to increasing subscription revenue and related economies of scale combined with the overall growth in our professional services revenue and increased utilization of professional services personnel.

Quarterly Operating Expense Trends

Total costs and expenses generally increased sequentially for the fiscal quarters presented, primarily due to the addition of personnel in connection with the expansion of our business. Our research and development expenses can fluctuate quarter to quarter based on the timing and extent of capitalizable internal-use software development activities. Sales and marketing expenses grew sequentially over the periods. In the three months ended January 31, 2016 and October 31, 2016, we recorded expenses of $2.0 million and $3.3 million, respectively, related to our annual customer conference held in November 2015 and August 2016. The date of our annual customer conference has fluctuated between quarters from year to year. Our sales and marketing expenses generally increase in the quarter in which the conference is held. General and administrative costs generally increased in recent quarters due to higher outside professional service fees in connection with preparing to be a public company. During the three months ended July 31, 2015, general and administrative costs increased significantly, primarily due to one-time share-based compensation charges resulting from the sale of common stock by certain employees.

Other Financial Measures and Key Metrics

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(dollars in thousands)						
Gross profit	$ 8,576	$ 10,958	$ 13,485	$ 16,864	$ 19,408	$ 23,656	$ 28,180
Non-GAAP gross profit	$ 8,854	$ 11,301	$ 14,002	$ 17,376	$ 20,121	$ 24,462	$ 29,109
Gross margin	55%	56%	57%	62%	61%	63%	67%
Non-GAAP gross margin	57%	58%	60%	64%	63%	65%	69%
Operating loss	$(15,502)	$(17,818)	$(21,383)	$(21,285)	$(22,704)	$(20,562)	$(21,890)
Non-GAAP operating loss	$(14,268)	$(16,303)	$(16,814)	$(18,552)	$(19,288)	$(16,851)	$(17,007)
Operating margin	(99)%	(91)%	(91)%	(78)%	(71)%	(55)%	(52)%
Non-GAAP operating margin	(91)%	(83)%	(72)%	(68)%	(61)%	(45)%	(40)%
Net cash used in operating activities	$(10,124)	$ (9,431)	$(13,020)	$ (8,961)	$(15,035)	$(11,838)	$ (8,526)
Net cash provided by (used in) investing activities	$ 16,518	$ 21,478	$(44,172)	$ 7,336	$ 841	$ 1,012	$ 715
Net cash provided by (used in) financing activities	$ 544	$ 50,449	$ 25,000	$ 848	$ (337)	$ 48	$ 751
Free Cash Flow	$(10,876)	$(10,403)	$(15,689)	$(11,269)	$(17,194)	$(15,033)	$(11,811)
Customers (period end)	1,561	1,787	2,000	2,225	2,457	2,691	2,906
Calculated Billings	$ 22,245	$ 28,150	$ 30,524	$ 37,104	$ 34,224	$ 46,455	$ 51,120
Dollar-Based Retention Rate for the trailing 12 months ended	132%	125%	122%	120%	120%	120%	124%

Quarterly Key Metrics Trends

The steady increases in our quarterly non-GAAP gross profit and non-GAAP gross margin are due to increasing subscription revenue and related economies of scale combined with the overall growth in our professional services revenue and increased utilization of professional services personnel.

We experienced a steady increase in non-GAAP operating loss through the three months ended April 30, 2016, as our investments in the growth of the business continued to outpace our non-GAAP gross profit. During the three months ended July 31, 2016, the impact of our subscription revenue volume leverage and increased utilization of professional services began to surpass the increase in our operating expenses in absolute dollars. Consequently, our non-GAAP operating loss improved from the three months ended April 30, 2016 and continued through the three months ended October 31, 2016. The steady improvement in quarterly non-GAAP operating margin is due to increasing leverage in our business as the increases in total revenue exceed the combined increases in total costs of revenue and operating expenses.

The steady improvement in Calculated Billings is due to the acquisition of additional customers and sales of larger subscription contracts. The decrease in Calculated Billings during the three months ended April 30, 2016 is primarily from seasonality due to the buying patterns of our larger customers.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, adjusted for share-based compensation expense and amortization of acquired intangibles.

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(dollars in thousands)						
Gross profit	$ 8,576	$10,958	$13,485	$16,864	$19,408	$23,656	$28,180
Add:							
Share-based compensation expense included in cost of revenue	231	296	470	465	666	759	882
Amortization of acquired intangibles	47	47	47	47	47	47	47
Non-GAAP gross profit	$ 8,854	$11,301	$14,002	$17,376	$20,121	$24,462	$29,109
Gross margin	55%	56%	57%	62%	61%	63%	67%
Non-GAAP gross margin	57%	58%	60%	64%	63%	65%	69%

Non-GAAP Operating Loss and Non-GAAP Operating Margin

We define non-GAAP operating loss and non-GAAP operating margin as GAAP operating loss and GAAP operating margin, respectively, adjusted for share-based compensation expense, amortization of acquired intangibles and acquisition related compensation expense.

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(dollars in thousands)						
Operating loss	$(15,502)	$(17,818)	$(21,383)	$(21,285)	$(22,704)	$(20,562)	$(21,890)
Add:							
Share-based compensation expense	1,156	1,468	4,522	2,686	3,369	3,664	4,836
Amortization of acquired intangibles	47	47	47	47	47	47	47
Acquisition related compensation expense	31	—	—	—	—	—	—
Non-GAAP operating loss	$(14,268)	$(16,303)	$(16,814)	$(18,552)	$(19,288)	$(16,851)	$(17,007)
Operating margin	(99)%	(91)%	(91)%	(78)%	(71)%	(55)%	(52)%
Non-GAAP operating margin	(91)%	(83)%	(72)%	(68)%	(61)%	(45)%	(40)%

Free Cash Flow

We define Free Cash Flow as net cash used in operating activities less cash used for purchases of property and equipment and capitalized internal-use software costs.

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(in thousands)						
Net cash used in operating activities	$ (10,124)	$ (9,431)	$ (13,020)	$ (8,961)	$ (15,035)	$ (11,838)	$ (8,526)
Less:							
Purchases of property and equipment	(415)	(357)	(1,636)	(1,685)	(927)	(2,102)	(1,618)
Capitalized internal-use software costs	(337)	(615)	(1,033)	(623)	(1,232)	(1,093)	(1,667)
Free Cash Flow	$ (10,876)	$ (10,403)	$ (15,689)	$ (11,269)	$ (17,194)	$ (15,033)	$ (11,811)
Net cash provided by (used in) investing activities	$ 16,518	$ 21,478	$ (44,172)	$ 7,336	$ 841	$ 1,012	$ 715
Net cash provided by (used in) financing activities	$ 544	$ 50,449	$ 25,000	$ 848	$ (337)	$ 48	$ 751

Calculated Billings

We define Calculated Billings as total revenue plus the change in deferred revenue in the period.

	Three Months Ended						
	Apr 30, 2015	Jul 31, 2015	Oct 31, 2015	Jan 31, 2016	Apr 30, 2016	Jul 31, 2016	Oct 31, 2016
	(in thousands)						
Total revenue	$ 15,660	$ 19,638	$ 23,471	$ 27,138	$ 31,787	$ 37,436	$ 42,283
Add:							
Deferred revenue (end of period)	53,994	62,506	69,559	79,525	81,962	90,981	99,818
Less:							
Deferred revenue (beginning of period)	(47,409)	(53,994)	(62,506)	(69,559)	(79,525)	(81,962)	(90,981)
Calculated Billings	$ 22,245	$ 28,150	$ 30,524	$ 37,104	$ 34,224	$ 46,455	$ 51,120

Liquidity and Capital Resources

As of October 31, 2016, our principal sources of liquidity were cash, cash equivalents and short-term investments totaling $42.1 million, which were held for working capital purposes, as well as the available balance of our credit facility, described further below. Our cash equivalents and investments were comprised primarily of money market funds, corporate bonds and asset backed securities. We have generated significant operating losses and negative cash flows from operations as reflected in our accumulated deficit and consolidated statements of cash flows. We expect to continue to incur operating losses and negative cash flows from operations for the foreseeable future.

We have financed our operations primarily through the net proceeds we received through private sales of equity securities, as well as payments received from customers for subscription and professional services. We believe our existing cash and cash equivalents, our investments, our credit facility, and cash provided by sales of our products and services will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our subscription growth rate, subscription renewal activity, billing frequency, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product offerings, and the continuing market adoption of our platform. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies this could reduce our ability to compete successfully and harm our results of operations.

In March 2014, we entered into a loan and security agreement with Silicon Valley Bank for a line of credit and term loan of $5.0 million and $10.0 million, respectively. The line of credit was originally available over a two-year period, expiring in March 2016, based on certain revenue metrics, not to exceed $5.0 million. In June 2015 we amended our credit facility to increase the line of credit to $20.0 million and extend the maturity date to March 2017. As of October 31, 2016, the total amount available to be borrowed by us on the line of credit was $20.0 million and we had no outstanding balance on the line of credit. In November 2016, we amended our credit facility again to increase the line of credit to $40.0 million and extend the maturity date to November 2018. The term loan was available in two tranches through January 31, 2015, and expired with no amounts being drawn.

A significant majority of our customers pay in advance for annual subscriptions. Therefore, a substantial source of our cash is from our deferred revenue, which is included on our consolidated balance sheet as a liability. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is recognized as revenue in accordance with our revenue recognition policy. As of October 31, 2016 we had deferred revenue of $99.8 million, of which $93.1 million was recorded as a

current liability and is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria have been met.

Cash Flows

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

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
	(in thousands)			
Cash used in operating activities	$ (32,749)	$ (41,536)	$ (32,575)	$ (35,399)
Cash provided by (used in) investing activities	(48,571)	1,160	(6,176)	2,568
Cash provided by financing activities	77,313	76,841	75,993	462
Effects of changes in foreign currency exchange rates on cash and cash equivalents	(7)	(42)	(99)	(144)
Net increase (decrease) in cash and cash equivalents and restricted cash	$ (4,014)	$ 36,423	$ 37,143	$ (32,513)

Operating Activities

Our largest source of operating cash is cash collections from our customers for subscription and professional services. Our primary uses of cash from operating activities are for employee-related expenditures, marketing expenses and third-party hosting costs. Historically, we have generated negative cash flows from operating activities and have supplemented working capital requirements through net proceeds from the private sale of equity securities.

During the nine months ended October 31, 2016, cash used in operating activities was $35.4 million primarily due to our net loss of $65.3 million, adjusted for non-cash charges of $25.3 million and net cash inflows of $4.6 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, and depreciation and amortization of property and equipment and intangible assets. The primary drivers of the changes in operating assets and liabilities related to a $20.3 million increase in deferred revenue, partially offset by a $11.2 million increase in deferred commissions and a $3.6 million increase in accounts receivable, net, resulting primarily from increased subscription arrangements as a majority of our customers are invoiced in advance for annual subscriptions with a corresponding increase in commissions paid. Additionally, the change in operating assets and liabilities was due to an increase of $3.3 million in accounts payable, offset by an increase of $1.5 million in prepaid expenses and other current assets and a decrease of $1.3 million in accrued compensation.

During the nine months ended October 31, 2015, cash used in operating activities was $32.6 million primarily due to our net loss of $54.9 million, adjusted for non-cash charges of $15.5 million and net cash inflows of $6.8 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, and depreciation and amortization of property and equipment and intangible assets. The primary drivers of the changes in operating assets and liabilities related to a $22.2 million increase in deferred revenue, partially offset by an $8.5 million increase in deferred commissions and a $5.6 million increase in accounts receivable, net, resulting primarily from increased subscription arrangements as a majority of our customers are invoiced in advance for annual subscriptions with a corresponding increase in commissions paid. Additionally, the change in operating assets and liabilities was due to an increase of $2.9 million in accrued expenses and other liabilities, offset by an increase of $4.3 million in prepaid expenses and other current assets.

During the year ended January 31, 2016, cash used in operating activities was $41.5 million primarily due to our net loss of $76.3 million, adjusted for non-cash charges of $22.1 million and net cash inflows of $12.7 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, and depreciation and amortization of property and equipment and intangible assets. The primary drivers of the changes in operating assets and liabilities related to a $32.1 million increase in deferred revenue, partially offset by a $16.0 million increase in deferred commissions and a $10.7 million increase in accounts receivable, net, resulting primarily from increased subscription arrangements in the fourth quarter as a majority of our customers are invoiced in advance for annual subscriptions with a corresponding increase in commissions paid. Additionally, the change in operating assets and liabilities was due to an increase of $3.3 million in accrued compensation and $3.9 million in accrued expenses and other liabilities.

During the year ended January 31, 2015, cash used in operating activities was $32.7 million primarily due to our net loss of $59.1 million, adjusted for non-cash charges of $11.6 million and net cash inflows of $14.7 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, and depreciation and amortization of property and equipment and intangible assets. The primary drivers of the changes in operating assets and liabilities related to a $27.1 million increase in deferred revenue, partially offset by an $8.4 million increase in deferred commissions and a $7.2 million increase in accounts receivable, net, resulting primarily from increased subscription arrangements in the fourth quarter as a majority of our customers are invoiced in advance for annual subscriptions with a corresponding increase in commissions paid. Additionally, the change in operating assets and liabilities was due to an increase of $2.8 million in accounts payable and $1.6 million in accrued compensation, offset by an increase of $2.0 million in prepaid assets and other current assets.

Investing Activities

Net cash provided by investing activities during the nine months ended October 31, 2016 of $2.6 million was primarily attributable to proceeds from the sales and maturities of investments of $11.2 million, which was partially offset by purchases of property and equipment of $4.6 million to support additional office space and headcount, and the capitalization of internal-use software costs of $4.0 million associated with the development of additional features and functionality of our platform.

Net cash used in investing activities during the nine months ended October 31, 2015 of $6.2 million was primarily attributable to investment purchases of $46.4 million, purchases of property and equipment of $2.4 million to support additional office space and headcount, and the capitalization of internal-use software costs of $2.0 million associated with the development of additional features and functionality of our platform, partially offset by proceeds from the sales and maturities of investments of $44.6 million.

Net cash provided by investing activities during the year ended January 31, 2016 of $1.2 million was primarily attributable to proceeds from the sales and maturities of investments of $54.2 million, which was partially offset by cash used to purchase investments of $46.4 million, purchases of property and equipment of $4.1 million to support additional office space and headcount, and the capitalization of internal-use software costs of $2.6 million associated with the development of additional features and functionality of our platform.

Net cash used in investing activities during the year ended January 31, 2015 of $48.6 million was primarily attributable to cash used for the purchase of investments of $44.5 million, cash paid for business acquisitions of $3.2 million, the capitalization of internal-use software costs of $1.8 million associated with the development of additional features and functionality of our platform, and purchases of property and equipment of $1.2 million related to support additional office space and headcount. Partially offsetting these uses of cash was $2.1 million in proceeds received from the maturity of investments held by us.

Financing Activities

Cash provided by financing activities during the nine months ended October 31, 2016 of $0.5 million was primarily the result of $1.7 million in proceeds from the exercise of stock options, net of repurchases, partially offset by the payment of deferred offering costs of $1.0 million and principal payments on a financing arrangement of $0.2 million.

Cash provided by financing activities during the nine months ended October 31, 2015 was $76.0 million and was primarily the result of $73.4 million in proceeds from the sale of our redeemable convertible preferred stock, net of issuance costs, and $2.7 million from the exercise of stock options for purchase of common stock, net of repurchases, partially offset by principal payments on a financing arrangement of $0.1 million.

Cash provided by financing activities during the years ended January 31, 2015 and 2016 was $77.3 million, and $76.8 million, respectively, and was primarily the result of $74.5 million and $73.4 million, respectively, in proceeds from the sale of our redeemable convertible preferred stock, net of issuance costs, and $2.8 million and $3.6 million, respectively, from the exercise of stock options, net of repurchases, partially offset by principal payments under a financing arrangement of zero and $0.2 million, respectively.

Contractual Obligations and Other Commitments

Our principal commitments consist of obligations under our operating leases for office space. The following table summarizes our contractual obligations as of October 31, 2016:

	Payments Due by Period				
	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
	(in thousands)				
Operating lease obligations	$ 8,954	$21,822	$10,040	$ 15,046	$55,862
Other obligations	308	154	—	—	462
Total contractual obligations	$ 9,262	$21,976	$10,040	$ 15,046	$56,324

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

Off-Balance Sheet Arrangements

As of October 31, 2016, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

The functional currencies of our foreign subsidiaries are the respective local currencies. Most of our sales are denominated in U.S. dollars, and therefore our revenue is not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which are primarily in the United States, the United Kingdom, Canada and Australia. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments. During the years ended January 31, 2015 and 2016, and the nine months ended October 31, 2015 and 2016, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements.

Interest Rate Risk

We had cash, cash equivalents and short-term investments totaling $42.1 million as of October 31, 2016 of which $33.9 million was invested in money market funds, corporate bonds and asset-backed securities. The cash and cash equivalents are held for working capital purposes. Our short-term investments are made for capital preservation purposes. We do not enter into investments for trading or speculative purposes.

Our cash equivalents and our investment portfolio are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Due in part to these factors, our future investment income may fall short of our expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our short-term investments as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary.

As of October 31, 2016, a hypothetical 10% relative change in interest rates would not have had a material impact on the value of our cash equivalents or investment portfolio. Fluctuations in the value of our cash equivalents and investment portfolio caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities prior to maturity.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. In the preparation of these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting policies and estimates, which we discuss below.

Revenue Recognition

We derive revenue from subscription fees (which include support fees) and professional services fees. We sell subscriptions to our platform through arrangements that are generally one to three years in length. Our arrangements are generally noncancelable and nonrefundable. Furthermore, if a

customer reduces the contracted usage or service level, the customer has no right of refund. Our subscription arrangements do not provide customers with the right to take possession of the software supporting our platform and, as a result, are accounted for as service arrangements.

We commence revenue recognition when all of the following criteria are met:

- There is persuasive evidence of an arrangement;
- Delivery has occurred;
- The amount of fees to be paid by the customer is fixed or determinable; and
- Collection of the fees is reasonably assured.

Subscription Revenue

Subscription revenue, which includes support, is recognized on a straight-line basis over the noncancelable contractual term of the arrangement, generally beginning on the date our service is made available to the customer, providing all other revenue recognition criteria have been met.

Professional Services Revenue

Our professional services principally consist of customer specific requests for application integrations, user interface enhancements, and other customer-specific requests.

Revenue for our professional services billed on a fixed fee basis are generally recognized when the professional services are completed and professional services arrangements billed on a time and materials basis are recognized as services are performed.

Multiple Element Arrangements

For arrangements with multiple deliverables, we evaluate whether the individual deliverables qualify as separate units of accounting. In order to treat deliverables in a multiple deliverable arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery and, in situations in which a general right of return exists for the delivered item, delivery or performance of the undelivered item is considered probable and substantially within our control. Our professional services have stand-alone value because we have routinely sold these professional services separately. Our subscription services have stand-alone value as we routinely sell the subscriptions separately. Customers have no general right of return for delivered items. If the deliverables have stand-alone value upon delivery, we account for each deliverable separately and revenue is recognized for the respective deliverables as they are delivered based on the relative selling price, which we determined by using the best estimated selling price, or BESP, as neither vendor-specific objective evidence nor third-party evidence is available.

We have determined our BESP for our deliverables based on customer size, size and volume of our transactions, overarching pricing objectives and strategies, market and industry conditions, product-specific factors and historical sales of the deliverables.

Deferred Commissions

Deferred commissions represent direct and incremental compensation costs incurred in connection with the acquisition of customer contracts. Deferred commissions are initially deferred when earned and amortized over the same period that revenue is recognized for the related noncancelable portion of the subscription arrangement. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred commissions, current; the remaining portion is recorded as deferred commissions, noncurrent in the consolidated balance sheets. Commissions are generally paid within three months of when the subscription arrangement is signed with the customer. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statements of operations.

Capitalized Internal-Use Software Costs

We capitalize certain costs incurred during the application development stage in connection with software development for our platform. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Capitalized costs are recorded as part of intangible assets. Maintenance and training costs are expensed as incurred.

Capitalized internal-use software costs are amortized on a straight-line basis over the software's estimated useful life and recorded within subscription cost of revenue within the consolidated statements of operations. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Business Combination and Valuation of Goodwill and Purchased Intangible Assets

When we acquire a business, we allocate the purchase price to the net tangible and identifiable intangible assets acquired. Any residual purchase price is recorded as goodwill. The allocation of the purchase price requires management to make significant estimates in determining the fair values of assets acquired and liabilities assumed, especially with respect to intangible assets. These estimates can include, but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate weighted-average cost of capital and the cost savings expected to be derived from acquiring an asset. These estimates are inherently uncertain and unpredictable.

Goodwill is evaluated for impairment annually on November 1, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate or a significant decrease in expected cash flows.

Purchased intangible assets consist of identifiable intangible assets, which consisted primarily of developed technology. Purchased intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated useful lives following the pattern in which the economic benefits of the assets will be consumed, generally straight-line. The carrying amounts of our purchased intangible assets are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than originally estimated.

Share-Based Compensation

We have granted share-based awards, consisting of stock options, to our employees, certain consultants and certain members of our board of directors. Share-based compensation is measured based on the fair value of the awards on the grant date and recognized in our consolidated statements of operations over the period during which the recipient is required to perform services in exchange for the award (generally the vesting period of the award). We record share-based compensation expense for service-based equity awards using the straight-line attribution method.

We estimate the fair value of stock options granted using the Black-Scholes option valuation model. Our option-pricing model requires the input of highly subjective assumptions, including the fair value of our underlying common stock, the expected term of stock options, the expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock. The assumptions used in our option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our share-based compensation expense could be materially different in the future.

These assumptions are estimated as follows:

- *Fair Value of Common Stock*. Because our common stock is not publicly traded, we must estimate the fair value of common stock, as discussed in the section "Common Stock Valuations" below.
- *Risk-Free Interest Rate*. We base the risk-free interest rate used in the Black-Scholes valuation model on the implied yield available on U.S. Treasury zero-coupon bonds with an equivalent remaining term of the stock options for each stock option group.
- *Expected Term*. We determine the expected term based on the average period the stock options are expected to remain outstanding generally calculated as the midpoint of the stock options vesting term and contractual expiration period, as we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.
- *Expected Volatility*. We determine the price volatility factor based on the historical volatility of publicly traded industry peers. To determine our peer group of companies, we consider public companies in the technology industry and select those that are similar to us in size, stage of life cycle and financial leverage. We do not rely on implied volatilities of traded options in our industry peers' common stock because the volume of activity is relatively low. We intend to continue to consistently apply this methodology using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.
- *Expected Dividend Yield*. We have not paid and do not anticipate paying any cash dividends in the foreseeable future and, therefore, use an expected dividend yield of zero.

The following table summarizes the assumptions, other than fair value of our common stock, relating to our stock options granted during the years ended January 31, 2015 and 2016, and the nine months ended October 31, 2015 and 2016:

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
Expected term (in years)	5.4 - 6.1	5.0 - 6.1	5.0 - 6.1	5.8 - 6.4
Expected volatility	44%-55%	42%-46%	42%-46%	41%-44%
Risk-free interest rate	1.5%-2.0%	1.4%-1.9%	1.4%-1.9%	1.1%-1.5%
Expected dividend yield	—	—	—	—

In addition to the assumptions used in the Black-Scholes option-pricing model, we must also estimate a forfeiture rate to calculate the share-based compensation expense for our awards. Our forfeiture rate is based on an analysis of our actual forfeitures. We will continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover, and other factors. Changes in the estimated forfeiture rate can have a significant impact on our share-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the share-based compensation expense recognized in our financial statements. If a revised forfeiture rate is lower than the previously estimated forfeiture rate, an adjustment is made that will result in an increase to the share-based compensation expense recognized in our financial statements.

We will continue to use judgment in evaluating the expected volatility, expected term and forfeiture rate utilized in our share-based compensation expense calculations on a prospective basis.

As we continue to accumulate additional data related to our common stock, we may refine our estimates of expected volatility, expected term and forfeiture rates, which could materially impact our future share-based compensation expense.

Common Stock Valuations

The fair value of the common stock underlying our share-based awards was determined by our board of directors, with input from management and contemporaneous third-party valuations. If awards were granted a short period of time preceding the date of a valuation report, we retrospectively assessed the fair value used for financial reporting purposes after considering the fair value reflected in the subsequent valuation report and other facts and circumstances on the date of grant as discussed below. In such instances, the fair value that we used for financial reporting purposes generally exceeded the exercise price for those awards.

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation,* or AICPA Guide, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock including:

- contemporaneous valuations performed at periodic intervals by unrelated third-party specialists;
- rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- our actual operating and financial performance;
- relevant precedent transactions involving our capital stock;
- likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given prevailing market conditions and the nature and history of our business;
- market multiples of comparable companies in our industry;
- stage of development;
- industry information such as market size and growth;
- illiquidity of share-based awards involving securities in a private company; and
- macroeconomic conditions.

The valuations performed by unrelated third-party specialists were just one factor used by our board of directors to assist with the valuation of the common stock.

In valuing our common stock, our board of directors determined the equity value of our company using both the income and the market approach valuation methods. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on the venture capital rates of return as recommended in the AICPA Guide for early stage companies and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial results to estimate the value of the subject company.

Prior to November 2015, the equity valuation was based on both the income and the market approach valuation methods and the Option Pricing Method, or OPM, was selected as the principal equity allocation method. Both these methods were consistent with prior valuations. For options granted starting in November 2015, we have used a hybrid method to determine the fair value of our

common stock, in addition to giving consideration to recent secondary sales of our common stock. Under the hybrid method, multiple valuation approaches were used and then combined into a single probability weighted valuation. Our approaches included the use of initial public offering scenarios, a scenario assuming continued operation as a private entity, and a scenario assuming an acquisition of the company. In addition, we have considered the impact on our valuation estimates from secondary transactions and given weighting to such transactions in our common stock fair value estimates.

Application of these approaches involves the use of estimates, judgment and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and future cash flows, discount rates, market multiples, the selection of comparable companies and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

For valuations after the completion of this initial public offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our Class A common stock as reported on the date of grant.

Recent Accounting Pronouncements

See Note 2 to our Consolidated Financial Statements “Summary of Significant Accounting Policies—New Accounting Pronouncements” for more information.

LETTER FROM OKTA FOUNDERS TODD MCKINNON & FREDERIC KERREST

Thank you for considering an investment in Okta.

We started Okta because we saw a once-in-a-career technology shift taking place.

The word “Okta” is the unit of measure for cloud cover in meteorology. We thought that was a great name for a company focused on enabling its customers to adopt cloud computing.

When we started Okta, our first key insight was that the cloud would dramatically change the technology landscape. Every layer of the technology stack – from applications to infrastructure – would be reinvented as a cloud service.

The second key insight was one we learned from our customers (or prospective customers since we didn’t have any customers at the time). We met with them and asked them what pains they experienced when adopting cloud technologies. Over and over, issues around user identity and application access came up as a big challenge.

We listened to them and began to build an “Identity Cloud” that could securely connect all their users to all their applications from any location and any device. Enabling any company to embrace the cloud is at our core. We rallied around this cause and built a company to fulfill this mission.

Over the years, the Okta Identity Cloud has evolved to connect not just the cloud but on-premises applications, networking devices, mobile, external users and APIs. Our vision has evolved as well:

To enable any company to use any technology.

We are driven and inspired by this vision. The potential for today’s technology is great. The Okta Identity Cloud makes it possible to adopt this technology simply and securely at scale.

Our early experience listening to customers as we developed our product instilled Okta with a deeply held cultural value of customer success. This maniacal focus on listening to our customers and doing whatever it takes to make them successful is a powerful and infectious force.

We built the Okta Identity Cloud to be an end-to-end solution to solve a broad array of identity challenges. We didn’t want to hand off a toolkit or set of protocols to customers and “wish them luck.” We worked hard to pre-integrate the Okta Identity Cloud with thousands of applications – regardless of the APIs or protocols those applications supported. We built the user interface to be simple to use, with a clean and modern look. These product choices sound basic, but in our industry they were quite unique. Over the years, we have maintained our core values as we added new products and supported more use cases on the Okta Identity Cloud.

We have a saying internally: “Our people are our secret weapon.”

We’ve learned a lot building Okta, but the biggest lesson is that you have to have a great team. We’ve been very fortunate over the past eight years as we’ve gotten to work with a fantastic collection of folks, across many areas of expertise and around the world. The best part of our jobs is to see people grow and develop, from junior to senior roles, from individual contributors to managers, from up-and-comers to full-fledged leaders.

We’ve noticed a few common traits in all successful Okta employees. The first one is that they have a “builders and owners” mentality. They want to build something new and important, they want to drive the industry forward, they want to effect change every day. The second is that they share similar values: customer success of course, but also innovation, transparency and integrity. Okta employees operate with these values externally with our partners and customers, but also internally with each other.

The final common trait that we’ve seen in successful Okta employees is a strong desire to “do well by doing good,” to give back to the communities in which we live and work. Our Okta for Good social

impact initiative was created as a vehicle to help employees give back by guiding Okta resources to nonprofits to enable them to achieve their missions faster.

We’re off to a great start. But this is just the beginning.

The opportunity for the Okta Identity Cloud, combining internal and external use cases across all of our products, is very large. And the wave is just starting to build. To reach our full potential we need to continue to assemble a team of owners and builders intensely focused on customer success.

We would like to leave you with our commitment. We’re committed to putting our customers first. We’re committed to finding the best people in the industry and unleashing the most they have to offer. We’re committed to always striving to do more today than we’ve done the day before. We’re committed to building a company that we can all be proud of.

We’re excited about what’s ahead. We thank you for considering an investment in Okta and welcome you to come along on our journey.

Todd and Frederic

BUSINESS

Our Mission

Our mission is to enable any organization to use any technology, and we believe identity is the key to making that happen.

Overview

Okta is the leading independent provider of identity for the enterprise. Okta pioneered identity in the cloud. The Okta Identity Cloud is our category defining platform that enables our customers to securely connect people to technology, anywhere, anytime and from any device.

Identity has always been the key to establishing trust between users and technologies. We founded Okta in 2009 to reinvent identity for the cloud era, where identity is the critical foundation in an increasingly dynamic world of devices and applications. The Okta Identity Cloud helps organizations effectively harness the power of cloud and mobile technologies by securing users and connecting them with the applications they rely on.

Every business day, over two million people use Okta to access a wide range of cloud applications, websites, mobile applications and services from a multitude of devices. Each of these users represents a unique user identification that authenticates into our platform. Workforces sign into our platform to seamlessly access the applications they need to do their most important work. Organizations also use our platform to provide their customers with more modern experiences online and to connect with partners to streamline their operations. Developers leverage our platform to securely embed identity into their software. As we add new customers, users, developers and applications to our platform, our business, customers and users benefit from powerful network effects that increase the value and security of the Okta Identity Cloud.

The rise of cloud computing has been a momentous technological transformation. Organizations of all sizes and across every industry are racing to leverage the efficiency, flexibility and scalability benefits of the cloud. This transformation has expanded identity to encompass not only users, customers and partners, but also applications and devices that are increasingly cloud-based and outside the corporate firewall.

Given the growth trends in the number of applications and cloud adoption, identity is quickly becoming the most critical layer of an organization’s security. As the corporate perimeter has dissolved, identity has become the most reliable way to manage user access, adopt cloud and mobile technologies and protect digital assets. Our approach to identity eliminates duplicative, sprawling credentials and disparate authentication policies, allowing our customers to simplify and scale their IT infrastructures more efficiently as the number of users, devices, clouds and other technologies in their ecosystem grows.

We designed the Okta Identity Cloud to provide organizations an integrated approach to managing and securing all of their identities. Our platform allows our customers to easily provision internal and external users, enabling any user to connect to any device, cloud or application, all with a simple, intuitive and consumer-like user experience. Developers leverage the Okta Identity Cloud to secure and manage the identities of their own customers and partners accessing their cloud and mobile applications.

From the beginning, the Okta Identity Cloud was built entirely in and for the cloud. Our customers are able to achieve fast time to value, lower costs and increased efficiency while improving compliance and providing security that is persistent, perimeter-less and context-aware. These benefits are delivered through multiple products on a unified platform, our superior cloud architecture and a vast and increasing network of integrations, all supported by a company culture that is maniacally focused on customer success.

Our platform is independent and neutral, allowing our customers to integrate with any prevalent application, service, device or cloud that they choose. We do not push our customers to particular vendors or a specific proprietary software stack. This independence and neutrality enables our customers to easily adopt best-of-breed technologies, enhanced by access to a broad network of pre-integrated applications across vendors and devices. We prioritize the compatibility of the Okta Identity Cloud with on-premise infrastructures and public, private and hybrid clouds. Our customers value our open approach, which enables them to future proof their environments.

We pioneered identity in the cloud and we believe its rapid adoption signals the early stages of a long-term shift away from legacy identity management. A subset of the Okta Identity Cloud's capabilities fully addresses the Identity and Access Management as a Service, or IDaaS, market.

Gartner publishes a Magic Quadrant for IDaaS and Okta is the only company to be named a Leader in this Magic Quadrant for all three years of its existence. We believe this recognition reflects our product innovation and our focus on the success of our customers.

As of October 31, 2016, more than 2,900 customers across nearly every industry used the Okta Identity Cloud to secure and manage identities in over 185 countries. Our customers are comprised of leading global organizations ranging from the largest enterprises, to small and medium-sized businesses, universities, non-profits and government agencies. Representative customers include 20th Century Fox, Adobe, Engie, Flex, Github, LinkedIn, MassMutual, MGM Resorts, Pitney Bowes and Twilio. In addition, leading cloud vendors, such as Amazon Web Services, Box, Google Cloud, Microsoft, NetSuite, SAP, ServiceNow and Workday, are our partners. We had over 5,000 integrations with cloud, mobile and web applications as of October 31, 2016, which while not directly correlated to revenue, shows the breadth and acceptance of our platform.

We employ a SaaS model, and generate revenue primarily by selling multi-year subscriptions to our cloud-based offerings. We focus on acquiring and retaining our customers and increasing their spending with us through expanding the number of users who access our platform and cross-selling additional products across their IT, development and business teams. We sell our products directly through our field and inside sales teams, as well as through our network of independent software vendors, or ISVs, and channel partners.

We have achieved significant growth in recent periods, with our revenue increasing from $41.0 million in fiscal 2015 to $85.9 million in fiscal 2016, an increase of 109%. For the nine months ended October 31, 2015 and 2016, our revenue was $58.8 million and $111.5 million, respectively, an increase of 90%. We continue to invest in growing our business to capitalize on our market opportunity. As a result, we incurred net losses of $59.1 million and $76.3 million in fiscal 2015 and 2016, respectively. For the nine months ended October 31, 2015 and 2016, we incurred net losses of $54.9 million and $65.3 million, respectively.

Our Industry

Identity is fundamental to all communications and business transactions. The traditional methods of managing and securing identity were developed decades ago for a different IT and business environment. Identity has become more challenging as organizations seek to rapidly move to the cloud, increasingly adopt SaaS applications, react to the proliferation of mobile devices and rely on development teams to build applications to engage with customers and partners.

Organizations are Responding to Massive Technology Shifts

Software is a critical part of running a modern organization, impacting nearly every aspect of daily operations, and user expectations for fast and reliable software have never been higher. The shift toward cloud computing and the rise of mobile and other connected devices have created both an opportunity and a challenge for organizations, which must securely and effectively implement new technologies to further their strategic initiatives and competitive positioning.

Cloud Computing and SaaS Have Reached Tipping Points of Adoption

Organizations worldwide are rapidly adopting cloud architectures to drive productivity and enhance business results while shortening time to value and reducing expenses. According to a 2016 IDC survey, 92% of all organizations were evaluating, deploying or fully embracing the cloud. According to Gartner, “In 2016, $114 billion in IT spending will be directly impacted through cloud shift. Through 2020, cloud shift impact will grow to $216 billion.”

Connectivity Continues to Broaden through Mobility, IoT and APIs

The proliferation of mobile devices impacts nearly every organization. According to IDC, the installed base of IoT endpoints will grow from 12.1 billion at the end of 2015 to more than 30 billion in 2020, representing a compound annual growth rate, or CAGR, of 19.9%. Organizations must identify and understand all endpoints and systems connecting to their environments. They increasingly rely on APIs to connect applications, enable communications and automate business processes. The continuing maturation of mobile technologies and APIs and the rise of IoT will continue to drive change, forcing organizations to securely connect a myriad of things, from heart monitors to smart factories to self-driving cars.

Every Organization Must Embrace Cloud and Mobile Technologies to Remain Competitive

Software is increasingly becoming the medium through which organizations interact and transact with their employees, customers and partners. This has led to a proliferation in the number of commercial and custom software applications developed and maintained. Many of our customers use more than 50 IT-supported cloud applications across their organization, and we expect this number to increase over time.

There is tremendous pressure for organizations to keep pace with their competitors who are moving to the cloud and opening their IT perimeters to connect with their supply chains, partners and customers, directly and securely. Many organizations are competing against cloud and mobile-enabled rivals using yesterday’s tools. The failure to embrace cloud and mobile technologies will negatively impact an organization’s ability to compete and may even threaten its survival.

Technological Innovation is Resulting in Complexity, Sprawl and Vulnerability

The proliferation of applications and devices, the need to connect internal and external parties and the diversification of IT infrastructure architectures have led to tremendous complexity, risk and cost for organizations of all types and sizes. The resulting sprawl and vulnerability present critical challenges because IT performance and security directly impact business results.

IT Has Become More Complex to Manage

Every new application adopted by an organization results in additional IT strain and complexity as each application is connected with the organization’s users, systems and devices, and often to external applications and parties. Similarly, mobile device provisioning and user authorizations are time-consuming and expensive manual tasks, inhibiting change. Even basic password resets are burdensome for enterprises. Based on the data provided by our customers, we estimate that password resets alone cost individual enterprises hundreds of thousands of dollars annually.

IT departments are struggling to keep pace with these changes while providing reliability, visibility and ease of use. The traditional system of siloed technologies and data does not allow organizations to obtain a holistic view of their customers, and this lack of visibility impedes organizations from providing the personalized experiences necessary to enhance their customer relationships.

Application development has become modular and distributed, accelerating development cycles and improving efficiency. The rise of APIs has provided developers with powerful functionality that can be configured quickly. The resulting abstraction of software development has created complexity given the expanding number of components in each application. Legacy identity management solutions were not built to address these multi-tiered applications and diverse environments.

Security Risks Remain a Top Enterprise Priority

Security is a mission-critical issue for organizations of all sizes. With distributed workforces, partners and customers and many of today's most important applications and data residing outside of an organization's firewall, enterprises face the growing challenge of defining and securing their perimeter-less boundaries. As organizations take advantage of cloud and mobile technologies, the attack surface expands, creating additional security risks. Simultaneously, the frequency and sophistication of attacks are rising, as are the resulting costs. According to a report by the Ponemon Institute, in 2016 the average organizational cost of a data breach was $7.0 million in the United States and $4.0 million globally. A 2012 report by the security firm Mandiant found that 100% of the breaches it investigated involved stolen credentials, implying that all such breaches are in some manner related to identity, whether from inside threats or external attackers.

These IT and security concerns can be prohibitively expensive to address, often requiring additional systems and hardware, constrain organizational efficiency and inhibit cloud adoption.

Identity is Imperative for Cloud Adoption and Other Modern Technologies

As organizations prioritize initiatives to accelerate and transform themselves into cloud-enabled businesses, the user has become the focal point in aligning the needs of IT with the overall business strategy. Organizations must focus on identity as the one constant in an ever-changing technology and threat landscape. This identity-centric approach is foundational to addressing the IT and security issues facing organizations as they undergo this transformation.

Identity Simplifies IT

Through an identity-centric approach, organizations can solve the exponential problem of connecting users, devices, applications, technologies, third parties and things by allowing organizations to simplify and linearly scale their IT architectures.

Identity Secures the Enterprise

In a distributed, mobile-first organization, identity has become the most reliable way to manage user access, protect digital assets and avoid data breaches. An identity-centric model strengthens user credentials and helps eliminate weak and often-repeated passwords. An identity-centric model provides a common reference point for all connectivity, access, authentication and provisioning issues, regardless of whether the people or things being connected are inside or outside of the organization's firewall. Increasingly distributed environments have reduced the efficacy of the firewall to manage security. Organizations need solutions to ensure security and compliance requirements are met throughout their IT environments.

Identity Enables the Business

Addressing IT and security challenges has long been the responsibility of Chief Information Officers and Chief Security Officers. As IT and business strategies are converging, the buyers of

identity solutions have expanded to include other key business leaders within organizations, such as Chief Technology Officers who are driving innovation through adopting cloud technologies, and Chief Marketing Officers who are engaging with customers through more personalized offerings. New buyers of identity solutions have also emerged, such as Chief Digital Officers who are overseeing company-wide digital transformations. Identity is uniquely able to address the needs of each of these stakeholders, thereby enabling organizations to succeed in transforming themselves.

Limitations of Legacy Identity and Access Management Offerings

Identity management software has been available for many years. While traditional Identity and Access Management, or IAM, providers have historically offered some security benefits, their patchwork of legacy tools, which were designed only for on-premise use cases, can be costly, difficult to integrate and hard to use, increasing IT complexity and sprawl. These legacy systems do not provide modern APIs that developers need to construct seamless mobile and web experiences. These tools were not architected for the cloud and cannot be ported from on premise to hosted deployments, as they lack the scalability and flexibility to enable cloud adoption and are unable to support external users and their unique use cases.

Directory services have been and remain an important part of enterprise IT systems. In recent years, traditional providers of on-premise directory services have begun to expand their existing services to the cloud. Such products are often cumbersome extensions of on-premise offerings, and involve tremendous cost and complexity to integrate and manage. These offerings have fragmented, disjointed user experiences, and often involve unwanted tie-ins to other proprietary products within the provider's product portfolio. These legacy tools were not designed for the cloud era.

Recently, point products that address identity management, governance and security issues have begun to emerge. While some of these products are cloud-based SaaS offerings, they are not able to resolve the challenges of IT complexity and sprawl at scale. These products are not enterprise-grade, are siloed in functionality and, like legacy IAM products, are unable to support external use cases. Point products generally have scalability issues that limit their effectiveness in the cloud era of enterprise IT.

For organizations of all types and sizes to fully achieve the benefits of the cloud, we believe there is an increasing need for a unified identity platform that enables them to grow faster, cut costs, increase efficiency, and enhance security and compliance. This solution must be secure, reliable and able to support the scale and expansiveness of the cloud era while enabling organizations to nimbly and securely transition to the cloud.

Our Opportunity

Our platform addresses a significant need in the market for both internal and external identity-centric use cases. We believe the opportunity to address internal use cases is at least $18 billion. The opportunity for external use cases is evolving rapidly as organizations everywhere seek to engage with customers, partners and suppliers through software. According to IDC, in 2016, the Cloud Software market is expected to be $78.4 billion and the Custom Application Development market is expected to be $41.2 billion. We believe that our platform is well positioned to address the critical identity requirements of, and capture a meaningful portion of these markets.

Organizations of All Sizes Require a New Approach to Identity

According to IDC, in 2016, the IAM market is expected to be $5.4 billion and the Enterprise Mobility Management, or EMM, market is expected to be $2.1 billion. IAM products were historically only used by large enterprises because of their cost and complexity, while EMM products traditionally focused on a device- and application-centric approach rather than managing and securing the identities of users. The limitations of these products inhibited their adoption and deployment.

Today, organizations of all sizes are rapidly adopting cloud and mobile technologies and transforming their businesses to remain competitive. We believe that we have the opportunity to serve the identity needs not just of the largest companies, but of organizations of all sizes that want to safely and securely move to the cloud.

According to U.S. census data for 2014, there were over 40,000 businesses with more than 250 employees in the United States. In addition, according to the National Center for Education Statistics, there were over 4,500 degree-granting postsecondary institutions in the United States. We believe each of these businesses and institutions could benefit from our identity-centric solution. Applying our 12-month average Calculated Billings per Okta customer as of October 31, 2016 and assuming full adoption of our current products and full deployment to all users within our existing customer base implies a market of $9 billion domestically. We believe the opportunity internationally to be at least as large, and we believe there is a significant incremental opportunity to serve the smaller businesses and other government organizations excluded from the census data above.

Cloud Driven Transformation Opens New External-Facing Opportunities

Organizations are beginning to take an identity-centric approach to enable seamless and secure connections to their customers, partners and suppliers. They leverage the Okta Identity Cloud to embed identity into their external-facing systems. We believe this is a new and expanding use case for identity solutions and is not captured in current IAM market estimates or our estimates for internal use cases. The market for an identity-centric approach to external users grows with adoption of the cloud. As the key to establishing trust between users and technologies, we believe identity is a critical requirement for software development, and the growth in the Cloud Software and Custom Application Development markets will drive spending on identity solutions for external users.

- Cloud Software, which encompasses cloud and mobile applications as well as public cloud platforms. As organizations adopt cloud technologies, we believe they will open their perimeters and connect directly to customers and partners through identity solutions. According to IDC, the cloud software market is expected to reach $78.4 billion worldwide in 2016, representing a 21.4% increase from the previous year. IDC projects spending on cloud software to grow to $151.6 billion by 2020, representing a four-year CAGR of 17.9%.
- Custom Application Development, which represents outsourced development of software and mobile applications. We believe identity spend will constitute an increasingly large portion of this market as organizations expand the number of applications provided to their partners, customers and suppliers. According to IDC, the custom application development market is expected to reach $41.2 billion worldwide in 2016 and is expected to grow to $48.4 billion by 2020, representing a four-year CAGR of 4.1%.

While we believe that the externally-focused market for identity solutions is still developing, these spending trends indicate that demand for cloud identity solutions with external use cases will continue to increase as organizations seek to provide modern experiences to their customers and partners. Our platform addresses these external use cases, and we believe that we are well positioned to capitalize on these trends.

The Okta Identity Cloud

The Okta Identity Cloud is a secure, reliable and scalable platform that provides complete identity management, enabling our customers to secure their users and connect them to technology and applications, anywhere, anytime and from any device. Our customers use the platform to secure their workforces, to provide more seamless experiences for their customers, and to create solutions that make their partner networks more collaborative.

The Okta Identity Cloud is used as the central system for an organization’s connectivity, access, authentication and identity lifecycle management needs spanning all of their users and applications.

We enable our customers to easily deploy, manage and secure applications and devices, and to provision and support users across their IT environments, with a simple, intuitive, consumer-like user experience. Developers are similarly able to leverage a robust set of tools to quickly build custom web and mobile application experiences that leverage the Okta Identity Cloud as the underlying identity platform. Once deployed, we enable administrators to enforce contextual access management decisions based on conditions such as user identity, device, location, application identity, IP reputation and time of day.

The Okta Identity Cloud is used by organizations in two distinct and powerful ways: to manage and secure their internal users (employees and contractors), and to connect and secure their external users (customers, partners and suppliers) via the powerful APIs we have developed.

The Okta Identity Cloud for Internal Use

The Okta Identity Cloud simplifies the way an organization's employees and contractors connect to their applications and data from any device, while increasing efficiency and keeping IT environments secure. We enable organizations to provide their internal users with immediate and secure access to every application they need from any device they use, without requiring multiple credentials, which significantly enhances employee connectivity and productivity. Our customers often use an additional security layer, which is provided through our Adaptive Multi-Factor Authentication product. As our customers' assets continue to migrate outside of the firewall, we believe this product is one of the simplest yet most effective ways to secure users and data. Our Universal Directory and Lifecycle Management products also serve as a system of record to help our customers organize, customize and manage their users and their access privileges throughout the users' entire lifecycle. This includes managing all requests and approvals and automating account and device provisioning and de-provisioning seamlessly across directories, applications and devices.

The Okta Identity Cloud for External Use

The Okta Identity Cloud provides secure connections across web and mobile applications that organizations use to better engage, collaborate and communicate with their customers, partners and suppliers. Identity-centric connectivity for external users is a relatively new use case. We enable our customers' product teams to layer our powerful identity platform into their cloud, web and mobile applications through our APIs. This makes it easier for them to authenticate, manage and secure their external connections and allows them to focus on product innovation. By building on our platform, developers leverage our powerful proprietary APIs to quickly and efficiently create secure, branded experiences for their organizations. These interfaces drive business results through improved customer engagement via personalized experiences, enhanced collaboration with partners and streamlined supply chains.

The Benefits of Our Platform

Identity is the foundation for secure connections in a cloud-based, mobile-enabled world. As a result, an organization's identity solution has to be the most reliable piece of its technology stack. At Okta, we are singularly focused on helping our customers achieve the tremendous promise of the cloud era through a secure, always-on identity platform.

The Okta Identity Cloud allows customers to:

- ***Grow Faster***. We enable our customers to increase revenue, move faster and do more in the rapidly evolving cloud environment. When our platform is used to connect with external customers, we enable organizations to increase revenue through holistic views of end customers, more productive partnerships and personalized product offerings. By building on our secure, standards-based identity platform, developers and engineering teams are able to release products faster and focus on creating features that will differentiate their products.

- ***Increase Efficiency***. We help customers lower IT expenses and be more productive. The Okta Identity Cloud is fully compatible with on-premise infrastructures and public, private and hybrid clouds. We empower organizations to transition away from expensive on-premise infrastructure and adopt best-of-breed technologies by solving the key challenges posed by moving to the cloud. With our platform:
    - Access to the right set of tools and technologies enables new employees to be rapidly on-boarded and made productive more quickly;
    - Helpdesk tickets related to password resets are reduced, costs of physical hardware tokens are eliminated, and IT administrator efficiency is increased, freeing IT to spend more time on innovation; and
    - The time and cost required to build, secure and maintain access and authentication solutions are eliminated, and cumbersome manual integration of applications and provisioning of devices are automated.
- ***Enhance Security and Compliance***. We make our customers and their data more secure. Our platform provides persistent, perimeter-less security, with real-time visibility and compliance reporting. We enable organizations to determine exactly who gets access to what, from day one of on-boarding, throughout the user lifecycle, including job changes or promotions, to off-boarding. Our comprehensive multi-factor authentication offers policy-driven contextual access management for an organization's internal and external use cases. The Okta Identity Cloud allows our customers to secure access for their customers, partners and suppliers, while helping them adhere to numerous compliance standards, including HIPAA, FedRAMP and Sarbanes-Oxley.
- ***Embrace Technology of Choice***. The independence and neutrality of our platform allows users to adopt the best-of-breed applications and tools they need to do their jobs in a manner that is fast, scalable and easy to manage. We provide users with the freedom to choose from a broad selection of pre-integrated applications, without tie-ins or bias toward proprietary products.
- ***Eliminate Downtime***. To fulfill our mission of enabling any organization to use any technology, the Okta Identity Cloud must be always-on. As the connectivity fabric for modern organizations, we strive to enable all users, devices, applications, technologies, third parties and things to connect to our platform at all times. Our maintenance windows do not require any downtime and our platform has experienced best-in-class uptime, delivering over 99.9% uptime across our customer base over the past 24 months.

We deliver these benefits through:

- ***Leading-Edge Technology***. We provide identity-centric connectivity in a manner that is agnostic, irrespective of application, user, location or connected device. We deliver all of the benefits expected in the cloud era, including enabling our customers to go live faster and expand functionality more easily, and we do so at a significantly lower cost than legacy approaches. After our platform is deployed, traditionally on-premise organizations are able to realize the significant benefits of the cloud.
- ***Superior Native Cloud Architecture.*** From the beginning, the Okta Identity Cloud was built entirely in and for the cloud. The Okta Identity Cloud is uniquely architected to seamlessly integrate with and manage cloud, hybrid, on-premise and mobile technologies, and is built with a core focus on reliability and security. Because we understand that connectivity and security are our customers' most critical concerns, our redundant, multi-tenant architecture is designed to never go offline. The redundancy and resiliency of our platform extends not only to our cloud users, but also to customers with on-premise infrastructures.
- ***Robust Ecosystem of Integrations***. Our Okta Application Network provides immediate time-to-value with over 5,000 integrations with cloud, mobile and web applications as of October 31,

2016. We, in partnership with our ecosystem of ISVs, build and maintain these integrations over time so that our customers do not have to. Because of our large and increasing network of pre-integrated applications, our platform solves the exponential problem of connecting everyone and everything, and allows our customers to scale as their number of employees, customers and partners grow.

- ***Differentiated User Experience***. Despite the depth and complexity of the issues we solve, the Okta Identity Cloud provides users with an elegant, intuitive and consumer-like experience. We also enable administrators to easily deploy, manage and secure applications, and to provision and support users across their IT environments, with a differentiated and unified experience.
- ***A Culture of Customer Success***. We prioritize customer success above all else and have a culture that is built upon the core values of transparency, integrity, reliability and independence. We continue to drive innovation to meet our customers' needs, exceeding their expectations and anticipating what they will need next. Our efforts have resulted in high levels of customer satisfaction, trust and support. As a result, our customers help us drive incremental customer acquisitions through their powerful testimonials and referrals.

Our Powerful Network Effects

The Okta Identity Cloud benefits from powerful network effects, which accelerate our value creation, provide sustainable competitive advantages, help us acquire additional customers and provide more value to our current and prospective customers.

Product Network Effect

The Okta Identity Cloud connects our customers to the applications their users need. Every organization has distinct application needs, which we address either through the pre-integrations in our Okta Application Network or the rapid integration of new applications. As new applications are added to our platform, they are immediately available to all of our customers through the Okta Application Network. As we add more customers, we increase the number of applications in the Okta Application Network. As a result, our network is continuously growing and providing additional value to our current and prospective customers.

Ecosystem Network Effect

The Okta Identity Cloud includes identity and security APIs that can be used not just by our customers but also by our system integrator and ISV partners, such as Accenture and ServiceNow, respectively. As we add more customers, we increase the number of system integrators that build practices around the Okta Identity Cloud and ISVs who build their applications on our platform, both of which expand our partner ecosystem and better allow us to acquire new customers.

Data Network Effect

The Okta Identity Cloud benefits from the rich usage data of its millions of users. As the number of identities managed on our platform continues to grow, we gain increasingly valuable contextual data about our users, their devices, the applications they access, and their activity. That data enables us to drive product innovation, new feature development and enhanced security on our platform. For example, visibility into threats affecting a certain customer in our growing ecosystem enables us, in collaboration with our other customers, to more rapidly mitigate similar threats to them. As our customer base expands, and additional data is generated, we are able to capture new insights and further enhance our products, increasing our value proposition to both current and potential customers.

These powerful network effects have contributed to growth in our number of customers and pre-integrated applications. We expect to be able to continually improve our products and increase our competitive advantage as the secure identity platform for organizations of all types and sizes.

Growth Strategy

Key elements of our growth strategy are to:

Execute with Our Existing Platform

- ***Drive New Customer Growth***. The markets for our products are large and underserved. To increase our share of these markets, we intend to continue to grow our customer base, with a focus on key verticals, including highly-regulated sectors such as financial services, government and healthcare. As a result of these efforts, we had added more than 680 net new customers in the nine months ended October 31, 2016.
- ***Deepen Relationships Within Our Existing Customer Base***. We believe that, as the provider of the most comprehensive, independent identity platform, we are well positioned to further expand into our existing base of over 2,900 customers. Our Dollar-Based Retention Rates for fiscal 2015 and 2016 were 129% and 120%, respectively. We plan to further increase revenue from our existing customers by cross-selling and up-selling additional products. We also believe we can significantly expand our footprint by focusing on current customers that limit their use cases to internal identity management, and furthering those customers' use of our platform for external use cases.
- ***Expand Our International Footprint***. With 12% of our revenue generated outside of the United States in fiscal 2016, up from 9% in fiscal 2015, we believe there is significant opportunity to grow our international business. We believe global demand for our products will continue to increase as international organizations fully embrace cloud and mobile computing. We have invested ahead of this demand adding multiple European data centers in fiscal 2016.
- ***Expand Our Integrations and Partner Ecosystem***. The Okta Application Network is an extensive partner ecosystem, which includes, among thousands of others, integrations with Amazon Web Services, Atlassian, Box, DocuSign, Google Cloud, Microsoft, NetSuite, SAP, Salesforce, ServiceNow, Slack, Workday, Workplace by Facebook and Zendesk. In total, we had over 5,000 integrations with cloud, mobile and web applications as of October 31, 2016. We plan to continue these partnerships as well as adding new integration partners to enrich our user experience and expand our customer base. We view our investment in partnerships as a force multiplier that enables us to build and promote complementary capabilities that benefit our customers. We also plan to expand our indirect sales network to leverage the sales efforts of additional ISVs and channel partners.

Increase Our Opportunities

- ***Innovate and Advance Our Platform with New Products and Use Cases***. We have a history of driving technological innovation. In the nine months ended October 31, 2016, we developed 35 new production releases of the Okta Identity Cloud. We intend to continue making significant investments in research and development, hiring top technical talent, and maintaining an agile organization. By continuing to innovate, we believe that we can address new use cases and offer increasing value to existing and potential customers.
- ***Leverage Our Unique Data Assets with Powerful Analytics***. Our position at the intersection of people, devices, applications and infrastructure gives us unique access to powerful data, and the opportunity to provide differentiated insights based on that data. We currently publish a Businesses @ Work report that contains unique analysis of global trends in software usage based on the millions of daily interactions between users and their applications through our platform. The value of our analytics will increase as customers continue to connect more devices, applications and users to their networks and as we add more customers. We do not currently derive revenue from our unique data assets, but we intend to explore opportunities for monetization in the future.

Our Products

The Okta Identity Cloud is made up of the six individual products described below. We began with the development of our Single Sign-On product, which was followed by a rapid and accelerating pace of innovation that quickly expanded our platform. Products used for the internal use case are consumed through Okta branded web and mobile interfaces, and we provide simple ways for our customers to customize the employee facing web and mobile experiences for their users. For external use cases, we provide direct access to our APIs to enable developers to embed our functionality in their custom web or mobile applications that they are building for their partners or customers. We continuously improve the Okta Identity Cloud through the release and development of additional products and features, with weekly updates. These products can be used for internal use cases, external use cases or both.

- ***Universal Directory***. Universal Directory provides a centralized, cloud-based, flexible system of record to capture user, application and device profiles as well as the relationships between those profiles. Users and profiles stored in the directory can be used with our Single Sign-On product to manage passwords and authentication. Users and their profiles can be stored directly in Universal Directory or synchronized with external cloud or on-premise applications, including on-premise Active Directory or LDAP servers. Universal Directory is also commonly used to simplify a complex directory infrastructure that enterprises develop over time due to acquisitions of disparate systems or rapid expansion. When used to its fullest extent, Universal Directory becomes the system of record for all of an organization's internal users and external customers, partners and suppliers.
- ***Single Sign-On***. Our Single Sign-On product enables users to access all of their applications, whether in the cloud or on-premise, from any device, with a single entry of their user credentials. We combine secure access, modern protocols, flexible policies and a consumer-like user experience. Single Sign-On can be deployed independently or easily integrated into an existing directory or identity management architecture. Through our Single Sign-On product, organizations can easily allow business partners and customers to sign in with their existing identity provider. Users can also authenticate securely with providers such as LinkedIn, Facebook or Google. Our Single Sign-On product also enables built-in reporting and analytics that provide real-time search functionalities across users, devices, applications and the associated access and usage activity.
- ***Adaptive Multi-Factor Authentication***. Adaptive Multi-Factor Authentication is a comprehensive, but simple-to-use, product that provides an additional layer of security for an organization's applications and data. Okta provides a modern alternative to legacy systems that popularized the use of hardware tokens to gain access to a company network. Okta offers a smarter product built on contextual data to support any user. To smooth migration, organizations can integrate existing keys or tokens, or use our built-in modern factors, such as text messaging, voice or Okta Verify with Push, a one-time PIN that changes every 30 seconds and can be delivered via SMS or push notification and accepted with a single tap. Our Adaptive Multi-Factor Authentication product offers a robust policy framework that is integrated with a broad set of cloud and on-premise applications and network infrastructures. It also offers adaptive, risk-based authentication that leverages big data intelligence from across the Okta network of thousands of organizations.
- ***Lifecycle Management***. Lifecycle Management is a provisioning product that automates IT processes and ensures user accounts are created and deactivated at the appropriate times. Through this product, IT can securely manage the entire identity lifecycle, from on-boarding to off-boarding, and ensure compliance requirements are met as user roles evolve and access levels change. Lifecycle Management offers rich directory and application integrations for mastering and provisioning, is fully extensible, supports customization through our robust APIs, and has sophisticated controls for IT administration through our rules engine and workflow.

- ***Mobility Management***. Mobility Management simplifies and automates mobile device administration and provisioning across phones, tablets and laptops, providing seamless, secure mobile access to any application, without compromising security. We integrate identity and mobility management functionality to enable a more seamless experience for users and IT administrators. We leverage the controls in native operating systems across iOS, Android, Mac and Windows smartphones, tablets and laptops. Administrators can define device security and access policies based on end-user identity and device type, with the ability to distribute certificates to devices to establish device trust, and can detect and shut down access from unauthorized devices.
- ***API Access Management***. API Access Management enables organizations to connect custom web and mobile experiences to cloud or on-premise services through APIs. Access to these APIs is managed based on the user, which enables organizations to centrally maintain one set of permissions for any employee, customer or partner across every point of access. API Access Management reduces development time, boosts security and enables seamless end-user experiences by providing a unified portable service for authorizing secure and always available access to any API.

By focusing on identity, the one constant in an ever-changing technology and threat landscape, the Okta Identity Cloud provides our customers with a solution to solve their IT and security challenges and provides us with significant competitive advantages. Through Okta, organizations can embrace the best technologies and tools of today, and leverage the innovations that will follow—whatever they may be.

Our Technology

We focus on engineering a simple but comprehensive platform to solve complex problems. Our pure cloud architecture is multi-tenant, encrypted and third-party validated.

Okta Application Network

Our Okta Application Network is an extensive partner ecosystem that includes pre-built integrations with Amazon Web Services, Atlassian, Box, DocuSign, Google Cloud, Microsoft, NetSuite, SAP, Salesforce, ServiceNow, Slack, Workday, Workplace by Facebook, and Zendesk, among thousands of others. We support a wide range of programming languages to enable developers and organizations to continuously expand and build new applications on our network. We also leverage heuristics-based technology to automatically adapt to changes in the underlying systems and ensure our integrations continue to function as IT environments and applications evolve. At the core of the Okta Application Network is a patented technology that allows our customers to seamlessly connect to any application or type of device that is already integrated into our network.

One Platform with Differentiated Administration, User and Developer Experience

The Okta Identity Cloud is built on one common platform and user interface framework, offering administrators and users a consistent, easy-to-use, consumer-like experience across our products. Our technology integrates with industry-leading browsers and mobile applications to provide seamless access to any web or native mobile application. We also heavily leverage operating system management and security technologies across desktops, laptops and mobile devices to provide a transparent, but secure experience for users across a range of devices. These integrations allow us to seamlessly deliver connectivity use cases that previously required significant custom development to achieve.

Robust Security

Security is a mission-critical issue for Okta and for our customers. Our approach to security spans day-to-day operational practices to the design and development of our software to how customer data is segmented and secured within our multi-tenant platform. We ensure that access to

our platform is securely delegated across an organization. Our source code is updated weekly, and there are audited and verifiable security checkpoints to ensure source code fidelity and continuous security review. Our security team performs continuous penetration testing on our platform through source code audits, black-box testing, third-party analysis and crowd-sourced, security bug bounty programs. Customers can also perform their own penetration testing on our platform. All of these efforts enabled us to secure SOC 2, CSA Star 2, Level 2 Attestation, ISO/IEC 27001;2013, ISO/IEC 27018;2014 and HIPAA certifications.

Scalability and Uptime

Our technical operations and engineering teams are designed around the concept of an always-on, highly redundant and available platform that we can upgrade without customer disruption. Our products and architecture were built entirely in and for the cloud with availability and scalability at the center of the design, and were built to be agnostic with respect to the underlying infrastructure. Our maintenance windows do not require any downtime, and we have delivered over 99.9% uptime across our customer base over the past 24 months.

Our proprietary cell architecture includes redundant, active-active availability zones with cross-continental disaster recovery centers, real-time database replication and geo-distributed storage. If one of our systems goes down, another is quickly promoted. Our architecture is designed to scale both vertically by increasing the size of the application tiers and horizontally by adding new geo-distributed cells.

Our platform is monitored not only at the infrastructure level but also at the application and third-party integration level. Synthetic transaction monitoring allows our technical operations team to detect and resolve issues proactively. We also perform drills where teams are trained to resolve simulated service disruption scenarios with time pressure and unexpected infrastructure failures.

Transparency is one of our core values, and our trust webpage provides customers with historical and timely information about our system uptime and status and incident response progress.

Our Customers

As of October 31, 2016, we had over 2,900 customers and approximately 40 million internal and external users on our platform across more than 185 countries. Our customers span nearly all industry verticals and range from small organizations with fewer than 100 employees to companies in the Fortune 100, with up to hundreds of thousands of employees, some of which use the Okta Identity Cloud to manage millions of external customers or partners. Most of our customers, large and small, have purchased additional subscriptions and products from us over time.

Representative Customers

Representative customers are provided below by industry vertical. As of October 31, 2016, each of these customers had an annual contract value of more than $100,000:

Cloud	Consumer Products	Consumer Services
Adobe	Bose	24 Hour Fitness
AppDynamics	Brown-Forman	Con Edison
Concur	Clorox	Engie
LinkedIn	Kohl’s	Etihad Airways
ServiceNow	Levi Strauss & Co.	MGM Resorts
Splunk	Williams-Sonoma	Wyndham
Workday		

Finance/Insurance/Real Estate	Government/Non-Profit/ Education/Infrastructure	Healthcare/Life Sciences
American Express	Centers for Medicare & Medicaid Services	Allergan
Experian	Gatwick Airport	Catholic Health Initiatives
Farmer's Insurance	McGraw-Hill	Envision Healthcare
FICO	Mitre	Magellan Health
General Motors Finance	National Geographic Society	Shire Pharmaceuticals
Jones Lang Lasalle	National University	St. Joseph's Health
Mass Mutual	Teach for America	
Mercury Insurance		
Western Union		

Media/Entertainment/ Communications	Technology/Software/ Hardware
20th Century Fox	Broadcom
DISH	Digital Realty Trust
LiveNation	Flex
News Corporation	Jabil
Omnicom Group	Pitney Bowes

Customer Case Studies

The following case studies are representative examples of how our customers have benefited from, and expanded their use of, the Okta Identity Cloud.

Flex

Situation

Flex, a customer since 2015, designs, manufactures and distributes products for more than a thousand customers, and connects thousands of production material suppliers to a constantly shifting portfolio of factories. As a company at the epicenter of IoT, Flex recognized the need for increased cyber security to protect customer intellectual property, secure the supply chain and manage employee access.

Solution

After putting Okta through a rigorous security assessment, Flex leaders selected the Okta Identity Cloud as the platform to help address top IT concerns for both internal and external identity needs.

First, Okta helped Flex manage its supplier network by connecting ten critical applications in an online portal, automating on-boarding and off-boarding, and providing control over user access. Flex's thousands of suppliers are now able to log in from anywhere in the world to verify inventory, confirm orders, change schedules and more. With the Okta Identity Cloud, Flex IT is able to streamline security, ensure that inactive supplier access is suspended and increase productivity for its global supply chain.

Next, Flex deployed the Okta Identity Cloud internally across all of its approximately 200,000 employees, including both factory and office workers alike, providing them with access to best-of-breed cloud and on-premise applications. The Okta Identity Cloud makes it possible for the thousands of factory workers who did not have profiles in Microsoft Active Directory to now communicate with the rest of the organization via their smartphones and Okta's mobile capabilities. Okta is helping Flex onboard new factories worldwide quickly and efficiently. Going forward, Flex is planning to integrate the Okta Identity Cloud into its plan to automate factories and connect customers to every aspect of the product life cycle.

"Okta plays a role in all three of my initiatives: Cyber security, business productivity and best of breed solutions. It fits all three, so it's a perfect match."

—Gus Shahin, CIO, Flex

20th Century Fox

Situation

The television and film industries have changed dramatically as they have become increasingly reliant on digital tools for creating, distributing and promoting content. A typical major film release typically involves an extended team of over 200 companies, with thousands of individual contributors. As a result, 20th Century Fox, or Fox, a customer since 2013, looked to cloud technologies to make that collaboration more efficient and effective. To bring everyone under its portal, the Fox Media Cloud, Fox needed an identity platform that could flexibly connect at scale with all internal and external constituents, offer a customized user interface for Fox partners, simplify a complex Microsoft Active Directory environment, integrate with every cloud application it used, and provide extensive reporting and visibility into access.

Solution

Initially, Fox simplified the provisioning of cloud applications with the deployment of the Okta Identity Cloud to 5,000 internal users. Fox quickly realized how easily our platform connected employees to all of its cloud applications, and soon over 22,000 Fox employees could use Okta to access important cloud communication and collaboration applications, including Box, Concur, Coupa and Salesforce, among others, on the go, from any device.

Fox also worked with Okta to connect its production partners and content distributors for the Fox Media Cloud. With the Okta Identity Cloud, their collaboration was improved, simplified and made more secure. While previously Fox had to set up expensive, time consuming on-premise infrastructure on a project-by-project basis, by leveraging the Okta Identity Cloud, Fox now has the ability to set up a flexible cloud infrastructure and manage access policies across projects, at a significantly accelerated pace and reduced cost.

“Our selection of Okta is not about just solving username and passwords. It’s so much more strategic. This is the foundation for how we create seamless experiences for our users.”

—John Herbert, EVP Global Media Services and CIO, 20th Century Fox

Adobe

Situation

Adobe, a customer since 2014, faced identity and access challenges for both its employees and its products as it pursued its transition to the cloud. Adobe was attempting to support 13,500 employees’ use of over 300 enterprise applications with an internally-developed, open-source single sign-on solution that was difficult to manage. The strain on the on-premise system was further exacerbated by Adobe’s decision to move its internal email and calendar systems to the cloud with Microsoft Office 365. Separately, Adobe was in the process of transforming its entire Creative Suite of products (e.g., Photoshop, Illustrator, etc.) from downloadable software to an integrated cloud service with the launch of Creative Cloud. This move would provide Adobe’s customers with on-demand access to Adobe’s applications and a recurring revenue stream for Adobe, but it came with new IT and security challenges. The first release of Creative Cloud could not connect with the existing identity systems used by many of Adobe’s enterprise customers, and it required these external parties to set up and manage an entirely new set of user credentials, creating redundancies and inefficiencies for Adobe’s customers.

Solution

Adobe decided to retire its internal single sign-on solution and deploy Microsoft Office 365 with Okta’s Single Sign-On product. It then took only four weeks to connect the Okta Identity Cloud to more than 200 additional cloud applications for their employees. Since then, Adobe has deployed multiple

products from the Okta Identity Cloud across its employee base, securing and managing its workforce. The proven success of the internal use cases inspired Adobe to leverage the Okta Identity Cloud to help solve Adobe's challenges with Creative Cloud as well. The APIs in the Okta Identity Cloud enabled Adobe's development team to quickly deliver secure authentication to Creative Cloud and Adobe's thousands of enterprise customers, enabling their users to access Adobe's tools with their existing corporate credentials, relieving them of the burden of additional cost and time-consuming efforts.

"Okta has demonstrated, not just to us, but to industry analysts and security experts that they take security very seriously, and that it's a service that we'll be able to trust."

—Den Jones, Director of Enterprise Security, Adobe

Experian

Situation

Experian, a customer since 2015, wanted to transform itself from a leading credit reporting agency to a customer-driven data services company. To do this, Experian's IT leaders recognized the need to consolidate Experian's six identity management providers into one. It also set out to build an API services environment that would allow customers to programmatically interface with Experian data sources and pull the exact information they need. Secure authentication was central to the project's success, and Experian wanted a single identity platform to handle it all. Experian also wanted a cloud-based identity solution that was flexible enough to handle its broad mix of internal productivity applications, as well as its growing number of customer and partner-facing applications.

Solution

As a first step, Experian's Consumer Services division used the Okta Identity Cloud to help build authentication into its popular Credit Tracker app. Following the success of the initial deployment, Experian's IT team rolled out Okta internally to Experian's 17,000 global employees. Within a number of months, the Okta Identity Cloud allowed Experian's IT team to retire multiple on-premise systems in addition to existing support contracts within a few months. Ultimately, the productivity of Experian's employees has been dramatically increased due to the continuous access to mission critical business applications provided by the Okta Identity Cloud.

After the success of the internal deployment, Experian leveraged Okta's capabilities to streamline access and onboarding for its external business customers. With the Okta Identity Cloud, the process for Experian's customers to access Experian's credit analysis, marketing services, and fraud detection is more simple, secure, and reliable.

Experian was able to consolidate and integrate all internal and external Experian applications onto the Okta platform quickly. To meet ongoing demands, Experian is building out an API services environment that will integrate with Okta and allow customers to programmatically access Experian data sources to pull the exact information they need, simply and securely.

"Okta is the go-forward strategy for all authentication, and will be the single standard that we use. It will have a huge impact on everything we build going forward."

—Barry Libenson, CIO, Experian

Pitney Bowes

Situation

After years of developing and acquiring technology to become a leading software company, Pitney Bowes, a customer since 2016, launched the Pitney Bowes Commerce Cloud. This cloud technology platform ties multiple capabilities together to solve commerce problems in an increasingly complex physical and digital world. In developing the Commerce Cloud, many core challenges centered around identity. Pitney Bowes wanted to create a seamless, dynamic user experience, with rich interactions between customers and products. Pitney Bowes also wanted to enable its products with its own API capabilities so that they could talk to each other and to third-party applications. In addition, Pitney Bowes wanted to make all data from those interactions accessible to employees, partners and customers.

Solution

Pitney Bowes chose the Okta Identity Cloud as its identity solution to securely connect 35 applications together, provide a single identity for each customer and give them a more simplified, reliable, and resilient approach to identity. The next phase of its launch paired Okta's API Access Management product with Pitney Bowes' API management partner. The proven integration makes it possible for Pitney Bowes to securely expose its digital capabilities through APIs, so these can be delivered more broadly. Pitney Bowes also plans to connect its digital infrastructure, powered by the Okta Identity Cloud, with its postage meters and mail machines, reinventing the mail system and setting itself up for another century of powering the world of commerce.

"As data, the cloud, analytics and IoT become the center of our strategy, identity becomes more and more critical to what we do."

—Roger Pilc, Chief Innovation Officer, Pitney Bowes

Sales and Marketing

Sales

We sell directly to customers through our inside and field sales force and also indirectly through our extensive ecosystem of channel partners. Our sales efforts are facilitated by our leadership position in the marketplace, strong customer testimonials and referrals, straightforward pricing strategy, and maniacal focus on customer success. Once a sale is made, we leverage our land-and-expand sales model to generate incremental revenue, often within the term of the initial agreement, through the addition of new users and the sale of additional products. In many instances, we find that initial customer success with our platform results in key internal decision makers expanding their deployments to additional, often external, use cases. Furthermore, as our customers are successful in their businesses and increase headcount, we share in their growth as the number of identities that we manage increases.

Our sales organization is structured to address the specific needs of each segment of our target market. Our sales team is divided by geography, customer size, use case and industry vertical. We believe that focusing a portion of our sales team on certain industries enables us to understand the nuances within specific verticals, and helps drive more efficient sales results. Our direct sales force is supported by our sales engineers, security team, cloud architects, professional services and other technical resources.

We benefit from an expansive partner ecosystem that helps drive additional sales. Nearly all of the leading cloud application providers are our customers or partners, and many of them drive further customer acquisition for us through co-selling arrangements, building our offerings directly into their products, and product demonstrations running on the Okta Identity Cloud. We also partner with several

of the large technology companies that are driving the movement to the cloud—for example, we are an active member in the Microsoft Partner Network and directly benefit from the widespread enterprise adoption of their Office 365 platform. In addition to these technology partners, we leverage system integrators, traditional VARs and Government VARs to broaden the range of customers we reach.

Marketing

Our most valuable marketing features our customers and is informed by a deeply data-driven approach, giving us insights into the efficacy of our efforts. Our marketing efforts focus on promoting our industry-leading identity platform, establishing our brand, generating awareness, creating sales leads and cultivating the Okta Community.

The centerpiece of our marketing strategy is telling the successful stories of our customers; we have received a significant number of public testimonials from CIOs at organizations of all sizes. A key part of that strategy is our annual customer conference, Oktane, which drew over 1,600 registrations in 2016 and features marquee customers sharing their success stories, new product and feature announcements, and hands-on product labs.

Research and Development

Our research and development organization is responsible for the design, architecture, creation and the quality of the Okta Identity Cloud. The research and development organization also works closely with our technical operations team to ensure the successful deployment and monitoring of our platform. We utilize test automation and application monitoring to ensure the Okta Identity Cloud is always-on.

Customer Support and Professional Services

Our products are designed for ease of use and fast deployments. We also offer several programs to help our customers maximize their success with our products.

Customer Support and Training Services

We offer three tiers of support, each of which builds upon the previous tier. We provide live webinars as well as on-demand instructional videos to provide our customers with information about product features, functionality and our most common customer use cases.

Professional Services

Our professional services team provides assistance to customers in the deployment of the Okta Identity Cloud and includes identity, mobility and security experts, customized deployment plans and SmartStart, which provides a quick path to implementation.

Okta Community

We have created an online community available to all of our customers. The Okta Community enables our customers to connect with other customers and partners to ask questions and find answers. As a result of our multi-tenant model, every customer uses the same version of the Okta Identity Cloud and questions and answers tend to be universally relevant. The Okta Community is an example of the benefits of the Okta ecosystem and its network effects. The more customers we have using the Okta Identity Cloud, the more they participate and share best practices, and the more our customers benefit from each other’s knowledge.

Intellectual Property

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets and patents, as well as contractual provisions and restrictions on access to our proprietary technology.

As of October 31, 2016, we had nine issued patents in the United States, which expire between 2030 and 2035 and cover various aspects of our products. In addition, as of such date, we also had one issued patent in Australia, which expires in 2033.

We registered “Okta” as a trademark in the United States, the European Community, Australia, Canada and Japan. We also have filed other trademark applications in the United States and certain other jurisdictions.

We are the registered holder of a variety of domestic and international domain names that include “Okta” and similar variations.

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights or similar agreements with our employees, consultants and contractors. Our employees, consultants and contractors are also subject to invention assignment agreements. We further control the use of our proprietary technology and intellectual property through provisions in both general and product-specific terms of use.

Our Competitors

Our competitors for the Okta Identity Cloud internal use case include:

- Authentication providers, such as Computer Associates, IBM, Microsoft and Oracle;
- Life Cycle Management providers, such as Computer Associates, IBM, Microsoft and Oracle;
- Multi-factor Authentication providers, such as RSA (a division of Dell Technologies), Microsoft and Symantec; and
- Mobility Management providers, such as Citrix, Microsoft and VMware.

With respect to the Okta Identity Cloud external use case, we generally compete with internally developed systems.

We also compete with small, private niche companies that offer point products that attempt to address certain of the problems that our platform solves.

Due to the flexibility and breadth of our platform, we can and often do co-exist alongside our competitors’ products within our customer base.

The principal competitive factors in our markets include product capabilities, flexibility, independence, total cost of ownership, time to value, scalability, user experience, number of pre-built integrations, customer satisfaction, global reach, and ease of integration, management and use. We believe our product strategy, technology and company culture allow us to compete favorably on each of these factors.

We expect competition to increase as other established and emerging companies enter our markets, as customer requirements evolve, and as new products and technologies are introduced. We expect this to be particularly true as we are a cloud-based offering, and our competitors may also seek to repurpose their existing offerings to provide identity management solutions with subscription models.

Many of our competitors, particularly the large technology companies named above, have longer operating histories, significantly greater financial, technical, marketing, distribution or other resources, and greater name recognition than we do. However, we believe that our platform architecture, position

as an independent provider of identity solutions and focus on innovation enable us to respond more quickly to new or emerging technologies and changes in customer requirements than our larger competitors that primarily focus on other market segments and tie their identity solutions to their other proprietary products.

Okta for Good

Okta for Good's mission is to mobilize our technology and people to enable non-profit organizations to achieve their missions faster. To that end, we have reserved 300,000 shares of our Class B common stock to fund and support the operations of Okta for Good. Through Okta for Good, which is a part of our company and not a separate legal entity, we also donate and discount access to our service for non-profit organizations, who use the Okta Identity Cloud to make their teams more efficient and allows them to focus on making a meaningful impact in the world. Our employee volunteer program enables global team members to donate time to support charitable organizations worldwide.

Employees

As of October 31, 2016, we had a total of 843 employees, including 91 employees located outside of the United States. To our knowledge, none of our employees is represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Facilities

Our corporate headquarters is located in San Francisco, California, where we currently lease approximately 108,000 square feet under lease agreements that expire at various times from 2019 through 2024. We also lease facilities in Bellevue, Washington; San Jose, California; Toronto, Ontario; London, United Kingdom; Amsterdam, Netherlands; and Sydney, Australia.

We believe that our facilities are suitable to meet our current needs. We intend to expand our facilities or add new facilities as we add employees and enter new geographic markets, and we believe that suitable additional or alternative space will be available as needed to accommodate any such growth.

Legal Proceedings

We are not a party to any material pending legal proceedings. From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of February 28, 2017:

Name	Age	Position
Executive Officers:		
Todd McKinnon	45	Co-Founder, Chief Executive Officer and Director
J. Frederic Kerrest	39	Co-Founder, Chief Operating Officer and Director
William E. Losch	55	Chief Financial Officer
Charles Race	45	President, Worldwide Field Operations
Jonathan T. Runyan	40	General Counsel
Non-Employee Directors:		
Patrick Grady(1)(2)	34	Director
Ben Horowitz	50	Director
Michael Kourey(1)(3)	57	Director
Michael Stankey(2)(3)	58	Director
Michelle Wilson(1)(2)(3)	54	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

Each executive officer serves at the discretion of our board of directors and holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Executive Officers

Todd McKinnon. Mr. McKinnon co-founded Okta and has served as our Chief Executive Officer and as a member of our board of directors since January 2009. From October 2003 to February 2009, Mr. McKinnon served in various roles at salesforce.com, inc., a cloud-based customer relationship management company, most recently as Senior Vice President of Development. From 1995 to 2003, Mr. McKinnon held various engineering and leadership positions at Peoplesoft, Inc., an enterprise application software company, which was acquired by Oracle Corporation in January 2005. Mr. McKinnon holds a Master of Science in computer science from California Polytechnic State University, San Luis Obispo and a Bachelor of Science in management and information systems from Brigham Young University.

We believe that Mr. McKinnon is qualified to serve as a member of our board of directors because of his experience and perspective as our Chief Executive Officer and co-founder.

J. Frederic Kerrest. Mr. Kerrest co-founded Okta and has served as our Chief Operating Officer and as a member of our board of directors since July 2009. From June 2008 to August 2008, Mr. Kerrest served as an associate at Hummer Winbald Venture Partners, a venture capital firm. From August 2002 to February 2007, Mr. Kerrest served in a variety of sales and business development roles at salesforce.com, inc. Mr. Kerrest holds a Masters in Business Administration from the MIT Sloan School of Management and a Bachelor of Science in computer science from Stanford University.

We believe that Mr. Kerrest is qualified to serve as a member of our board of directors because of his experience and perspective as our Chief Operating Officer and co-founder.

William E. Losch. Mr. Losch has served as our Chief Financial Officer since June 2013. From June 2007 to June 2013, Mr. Losch served as Chief Financial Officer at MobiTV, Inc., a technology platform provider of multiscreen video delivery services. From October 2004 to May 2007, Mr. Losch served as the Chief Accounting Officer at DreamWorks Animation, SKG, Inc., an animation company. From March 1998 to July 2003, Mr. Losch served in various finance positions, most recently as Vice President of Finance and Chief Accounting Officer at Yahoo! Inc., an internet company. Mr. Losch holds a Bachelor of Arts in economics from the University of California, Los Angeles.

Charles Race. Mr. Race has served as our President, Worldwide Field Operations, since October 2016. From 2005 to May 2016, Mr. Race served in a variety of senior roles at Informatica Corporation, a provider of data integration software, most recently as Executive Vice President, Worldwide Operations. From 2003 to 2005, Mr. Race served as EMEA Business Development Manager and from 1999 to 2002, Mr. Race served as Business Development Manager at Hummingbird Ltd., a provider of enterprise software solutions. Mr. Race holds a Bachelor of Engineering in computer science from University of York.

Jonathan T. Runyan. Mr. Runyan has served as our General Counsel since January 2015 and our Secretary since July 2015. From January 2011 to January 2015, Mr. Runyan served as a Partner and Associate at Goodwin Procter LLP, a law firm, where he practiced corporate and securities law, primarily advising companies and investors in technology industries. From September 2006 to December 2010, Mr. Runyan served as an Associate at Gunderson Dettmer, LLP, a law firm. Mr. Runyan holds a Masters in Business Administration from the Yale School of Management, a Juris Doctor from the University of California, Hastings and a Bachelor of Science in business administration from San Diego State University.

Non-Employee Directors

Patrick Grady. Mr. Grady has served as a member of our board of directors since May 2014. Since March 2007, Mr. Grady has served in various roles at Sequoia Capital, a venture capital firm, where he currently serves as a Managing Member. From July 2004 to February 2007, Mr. Grady served as an associate at Summit Partners, a venture capital and private equity firm. Mr. Grady currently serves on the board of directors of several private companies. Mr. Grady holds a Bachelor of Science in economics and finance from Boston College.

We believe that Mr. Grady is qualified to serve as a member of our board of directors because of his significant knowledge of and history with our company, his experience as a seasoned investor and as a current and former director of many companies and his knowledge of the industry in which we operate.

Ben Horowitz. Mr. Horowitz has served as a member of our board of directors since February 2010. Mr. Horowitz is a co-founder and has served as a General Partner of Andreessen Horowitz, a venture capital firm, since July 2009. From September 2007 to October 2008, Mr. Horowitz served as a Vice President and General Manager at Hewlett-Packard Company, an information technology company. From September 1999 to September 2007, Mr. Horowitz co-founded and served as the President and Chief Executive Officer of Opsware Inc., a computer software company. Mr. Horowitz currently serves on the board of trustees of Columbia University and the board of directors of CODE2040, a non-profit organization, and several private companies. Mr. Horowitz holds a Master of Science in computer science from the University of California, Los Angeles and a Bachelor of Arts in computer science from Columbia University.

We believe that Mr. Horowitz is qualified to serve as a member of our board of directors because of his significant knowledge of and history with our company, his experience as a company executive, a seasoned investor and a current and former director of many companies and his knowledge of the industry in which we operate.

Michael Kourey. Mr. Kourey has served as a member of our board of directors since October 2015. Since June 2015, Mr. Kourey has served as the Chief Financial Officer of Medallia, Inc., a cloud-based customer experience management company. From May 2013 to March 2015, Mr. Kourey served as a Partner at Khosla Ventures, a venture capital firm, where he previously served as Operating Partner from April 2012 to May 2013. From July 1991 to February 2012, Mr. Kourey served in a variety of roles at Polycom, Inc., a communications solutions company, most recently as Chief Financial Officer. Mr. Kourey also served as director of Polycom from January 1999 to May 2011. He also previously served on the board of directors of Aruba Networks, Inc., Riverbed Technology, Inc. and other public and private companies. Mr. Kourey holds a Masters of Business Administration from Santa Clara University and holds a Bachelor of Science from University of California, Davis.

We believe that Mr. Kourey is qualified to serve as a member of our board of directors because of his experience as a public company chief financial officer, as a public and private company executive with primary responsibility for financial oversight, his extensive finance background, his service as a current and former director of many companies and his knowledge of the industry in which we operate.

Michael Stankey. Mr. Stankey has served as a member of our board of directors since December 2016. Mr. Stankey currently serves as the Vice Chairman at Workday, Inc., a financial and human capital management software vendor where from September 2009 to June 2015, he served as President and Chief Operating Officer. From October 2007 to September 2009, Mr. Stankey was an Operating Partner at Greylock, a venture capital firm. From December 2001 to April 2007, Mr. Stankey served as Chairman and Chief Executive Officer at PolyServe, a database and file serving utility service. Mr. Stankey holds a Bachelor of Business Administration from the University of Wisconsin-Eau Claire.

We believe that Mr. Stankey is qualified to serve as a member of our board of directors because of his experience as a company executive, a seasoned investor and a current and former director of many companies and his knowledge of the industry in which we operate.

Michelle Wilson. Ms. Wilson has served as a member of our board of directors since August 2015. Since 2014, Ms. Wilson has served on the board of directors of Zendesk Inc., a software development company that provides a SaaS customer service platform. From 1999 to 2012, Ms. Wilson served as Senior Vice President and General Counsel, and held a variety of other senior roles, at Amazon.com Inc., an electronic commerce and cloud computing company. Ms. Wilson also serves on the boards of directors of Pinterest, Inc., a private company, and Cascade Public Media, a non-profit company that operates the Seattle PBS television affiliate KCTS 9. Prior to Amazon.com, Ms. Wilson was a Partner at Perkins Coie LLP, a law firm. Ms. Wilson holds a Juris Doctor from University of Chicago and a Bachelor of Arts in finance from University of Washington.

We believe that Ms. Wilson is qualified to serve as a member of our board of directors because of her experience as a public company board member, her experience as a public company executive officer with primary responsibility for advising on legal and corporate governance issues, her extensive experience advising an internet services company and her knowledge of the industry in which we operate.

Code of Conduct

Our board of directors has adopted a code of conduct that will apply to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. Upon the completion of this offering, the full text of our code of conduct will be posted on our website. We intend to disclose any amendments to our code of conduct, or waivers of its requirements, on our website or in filings under the Exchange Act.

Board of Directors

Our business and affairs are managed under the direction of our board of directors. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Our board of directors consists of seven directors, five of whom will qualify as "independent" under NASDAQ listing standards.

In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, immediately after the completion of this offering our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- the Class I directors will be Todd McKinnon, Michael Kourey and Michael Stankey, and their terms will expire at the annual meeting of stockholders to be held in 2018;
- the Class II directors will be J. Frederic Kerrest and Michelle Wilson, and their terms will expire at the annual meeting of stockholders to be held in 2019; and
- the Class III directors will be Ben Horowitz and Patrick Grady, and their terms will expire at the annual meeting of stockholders to be held in 2020.

Each director's term will continue until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our board of directors has determined that Messrs. Grady, Horowitz, Kourey and Stankey and Ms. Wilson do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the NASDAQ. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

Lead Independent Director

Our board of directors has adopted, effective prior to the completion of this offering, corporate governance guidelines that provide that one of our independent directors will serve as our lead independent director. Our board of directors has appointed Ben Horowitz to serve as our lead independent director. As lead independent director, Mr. Horowitz will preside over periodic meetings of our independent directors, serve as a liaison between the Chairperson of our board of directors and the independent directors and perform such additional duties as our board of directors may otherwise determine and delegate.

Committees of the Board of Directors

Our board of directors has established, effective prior to the completion of this offering, an audit committee, a compensation committee and a nominating and corporate governance committee. The

composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Messrs. Grady and Kourey and Ms. Wilson, with Mr. Kourey serving as Chairperson. The composition of our audit committee meets the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of the NASDAQ listing standards. In addition, our board of directors has determined that Mr. Kourey is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Our audit committee will, among other things:

- select a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review our policies on risk assessment and risk management;
- review related party transactions;
- obtain and review a report by the independent registered public accounting firm at least annually, that describes our internal control procedures, any material issues with such procedures, and any steps taken to deal with such issues; and
- approve (or, as permitted, pre-approve) all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of the NASDAQ.

Compensation Committee

Our compensation committee consists of Mr. Stankey and Ms. Wilson, with Mr. Stankey serving as Chairperson. In addition, Mr. Grady will join the compensation committee upon the effectiveness of the registration statement of which this prospectus forms a part. The composition of our compensation committee meets the requirements for independence under NASDAQ listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Code. The purpose of our compensation committee is to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee, among other things:

- reviews, approves and determines, or makes recommendations to our board of directors regarding, the compensation of our executive officers;
- administers our stock and equity incentive plans;
- reviews and approves, or make recommendations to our board of directors regarding, incentive compensation and equity plans; and

- establishes and reviews general policies relating to compensation and benefits of our employees.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules of the SEC and the listing standards of the NASDAQ.

Nominating and Corporate Governance Committee

Immediately following the completion of this offering, our nominating and corporate governance committee will consist of Messrs. Kourey and Stankey and Ms. Wilson, with Ms. Wilson serving as Chairperson. The composition of our nominating and corporate governance committee meets the requirements for independence under NASDAQ listing standards and SEC rules and regulations. Our nominating and corporate governance committee will, among other things:

- identify, evaluate and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;
- review developments in corporate governance practices;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

The nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering that satisfies the applicable listing requirements and rules of the NASDAQ.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. See the section titled “Certain Relationships and Related Party Transactions” for information about related party transaction involving members of our compensation committee or their affiliates.

Non-Employee Director Compensation

Other than as set forth in the table and described more fully below, we did not pay any compensation or make any equity awards to our non-employee directors during the fiscal year ended January 31, 2017. Directors who were also our employees, Messrs. McKinnon and Kerrest, received no additional compensation for their service as directors. The following table presents the total compensation for each person who served as a non-employee director during the fiscal year ended January 31, 2017.

Name	Option awards ($)[1]	Total ($)
Aneel Bhusri[2]	—	—
Patrick Grady[3]	—	—
Ben Horowitz[3]	—	—
Michael Kourey[3][4]	—	—
Michael Stankey[2]	839,004[5]	839,004
Michelle Wilson[3][6]	—	—

(1) The amounts reported represent the grant date fair value of the stock options granted during the fiscal year ended January 31, 2016 under our 2009 Stock Plan, as computed in accordance with FASB ASC 718. The assumptions used in calculating the grant date fair value are set forth in the notes to our consolidated financial statements included elsewhere in this prospectus. These amounts do not necessarily correspond to the actual value recognized or that may be recognized by the directors. The shares subject to such options vest over four years in equal monthly installments commencing on the vesting commencement date. Notwithstanding the vesting schedule, the options are immediately exercisable in full as of the date of grant. Upon the consummation of a Change in Control (as defined in the applicable option agreement), or upon termination within three (3) months prior to a Change in Control, all then-unvested shares subject to options will immediately vest and become exercisable on such date.

(2) Mr. Bhusri resigned from our board of directors in December 2016. Mr. Stankey was elected to our board of directors in December 2016.

(3) Messrs. Grady, Horowitz and Kourey, and Ms. Wilson did not receive any compensation for the fiscal year ended January 31, 2017.

(4) As of January 31, 2017, Mr. Kourey held an option to purchase 300,000 shares of our common stock, of which 93,750 shares underlying the option were vested and 206,250 shares were unvested, and all of which are outstanding and exercisable. The vesting commencement date for Mr. Kourey's option is October 12, 2015.

(5) As of January 31, 2017, Mr. Stankey held an option to purchase 190,000 shares of our common stock, of which 3,958 shares underlying the options were vested and 186,042 shares were unvested, and all of which are outstanding and exercisable. The vesting commencement date for Mr. Stankey's option is December 14, 2016.

(6) In August 2015, we granted Ms. Wilson an option to purchase 190,000 shares of our common stock, which she early exercised in full on October 8, 2015. As of January 31, 2017, our right of repurchase has lapsed with respect to 67,291 of the shares and 122,709 shares remain subject to our right of repurchase. The vesting commencement date for Ms. Wilson's option is August 1, 2015.

Prior to this offering, we did not have a formal policy or plan to compensate our non-employee directors. Our board of directors has approved a formal policy pursuant to which our non-employee directors will receive the following annual cash retainers and equity awards commencing upon completion of this offering:

Position	Annual Cash Retainer
Board Member	$ 30,000
Lead Independent Director	$ 20,000
Audit Committee Chair	$ 20,000
Compensation Committee Chair	$ 15,000
Nominating and Corporate Governance Committee Chair	$ 8,000
Audit Committee Member other than Chair	$ 10,000
Compensation Committee Member other than Chair	$ 7,500
Nominating and Corporate Governance Committee Member other than Chair	$ 4,000

Such cash retainers shall be paid on a quarterly basis. With respect to the initial cash retainer payment commencing upon the completion of this offering, such amount shall be prorated based upon the period of time remaining in our fiscal quarter in which we complete this offering.

Our policy also provides that, upon the completion of this offering, each non-employee director will be granted RSUs having a fair market value of $200,000 based on the closing trading price on the date of grant. In addition, on the date of each of our annual meeting of stockholders following the completion of this offering, each non-employee director who will continue as a non-employee director following such meeting will be granted an annual award of RSUs having a fair market value of $200,000. The award of RSUs granted upon the completion of this offering and upon the date of each annual meeting of stockholders will fully vest on the earlier of the anniversary of the grant date or, immediately prior to the next annual meeting of stockholders. Furthermore, upon first being appointed to our board, any such newly appointed non-employee director will be granted RSUs having a fair market value of $350,000 based on the closing trading price on the date of the grant. Such RSUs shall

vest in three equal annual installments on each anniversary date on which the non-employee director was appointed to our board, subject to continuous service. In addition, all such awards are subject to full accelerated vesting upon the sale of our company in a change in control transaction (as defined in the policy).

Employee directors will receive no additional compensation for their service as a director.

We will reimburse all reasonable out-of-pocket expenses incurred by directors for their attendance at meetings of our board of directors or any committee thereof.

EXECUTIVE COMPENSATION

The following discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from currently planned programs as summarized in this discussion.

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies," as such term is defined in the rules promulgated under the Securities Act.

Our named executive officers for the fiscal year ended January 31, 2017, which consisted of our Chief Executive Officer and the two most highly-compensated executive officers (other than the Chief Executive Officer), were:

- Todd McKinnon, our Chief Executive Officer and co-founder;
- J. Frederic Kerrest, our Chief Operating Officer and co-founder; and
- Charles Race, our President, World Wide Field Operations.

The compensation provided to our named executive officers for the fiscal year ended January 31, 2017 is detailed in the "Summary Compensation Table—2017" below and accompanying footnotes and narrative that follow this section.

Summary Compensation Table—2017

The following table presents information regarding the compensation awarded to, earned by, and paid to each individual who served as our named executive officers during the fiscal years ended January 31, 2017 and January 31, 2016.

Name and Principal Position	Year	Salary ($)	Option Awards ($)[1][2]	Non-Equity Incentive Plan Compensation ($)[3]	Total ($)
Todd McKinnon	2017	247,500	7,880,000	71,651	8,199,151
Chief Executive Officer[4]	2016	236,250	1,688,700	99,513	2,024,463
J. Frederic Kerrest	2017	243,000	3,940,000	52,761	4,235,761
Chief Operating Officer[4]	2016	241,500	844,350	63,867	1,149,717
Charles Race	2017	84,231	5,088,000	61,500	5,233,731
President, World Wide Field Operations[5]					

(1) The amounts reported represent the aggregate grant date fair value of the stock options awarded to the named executive officers in the fiscal years ended January 31, 2017 and January 31, 2016, calculated in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value are set forth in the notes to our consolidated financial statements included elsewhere in this prospectus. These amounts do not necessarily correspond to the actual value recognized by the named executive officers.

(2) Awards of options granted to our named executive officers vary based on the individual's position, role and responsibilities, as well as length of service with us.

(3) The amounts reported represent the aggregate quarterly performance-based cash incentives earned in the fiscal years ended January 31, 2017 or January 31, 2016, based upon the achievement of certain company metrics.

(4) Mr. McKinnon and Mr. Kerrest serve on the board of directors but are not paid additional compensation for such service.

(5) Mr. Race joined the Company on October 20, 2016.

Employment Agreements and Termination of Employment Arrangements

We have entered into offer letters with each of the named executive officers, in connection with his employment with us, which set forth the terms and conditions of employment of each individual,

including base salary and standard employee benefit plan participation. In connection with this offering, our board of directors has adopted a new executive severance plan, the Executive Severance Plan, effective immediately prior to the time that the registration statement of which this prospectus forms a part is declared effective by the SEC, in which each of the named executive officers, may participate, as further described below. The Executive Severance Plan will provide for certain payments and benefits in the event of a termination of employment, including an involuntary termination of employment in connection with a change in control (as defined in the Executive Severance Plan) of the company, and will replace the severance provisions in the named executive officers' offer letters, if any.

Executive Severance Plan

The Executive Severance Plan provides that upon a termination by us for any reason other than for "cause," as defined in the Executive Severance Plan, death or disability outside of the change in control period (i.e., the period beginning three months prior to and ending on the later of (a) 12 months after, a "change in control," as defined in the Executive Severance Plan or (b) July 30, 2018), an eligible participant will be entitled to receive, subject to the execution and delivery of an effective release of claims in favor of the company, (i) a lump sum cash payment equal to 12 months of base salary for our Chief Executive Officer, nine months for our Section 16 officers, and six months of base salary for the other participants, and (ii) a monthly cash payment equal to our contribution toward health insurance for up to 12 months for our Chief Executive Officer, up to nine months for our Section 16 officers, and up to six months for the other participants.

The Executive Severance Plan also provides that upon a (i) termination by us other than for cause, death or disability or (ii) a resignation for "good reason," as defined in the Executive Severance Plan, in each case within the change in control period, an eligible participant will be entitled to receive, in lieu of the payments and benefits above and subject to the execution and delivery of an effective release of claims in favor of the company, (i) a lump sum cash payment equal to 18 months of base salary for our Chief Executive Officer, 12 months for our Section 16 officers, and nine months of base salary for the other participants, (ii) a lump sum cash payment equal to the eligible participant's annual target bonus, (iii) a monthly cash payment equal to our contribution toward health insurance for up to 18 months for our Chief Executive Officer, up to 12 months for our Section 16 officers, and up to nine months for the other participants and (iv) full accelerated vesting of all outstanding and unvested equity award held by such participant; provided, that any unvested and outstanding equity awards subject to performance conditions will be deemed satisfied at the target levels specified in the applicable award agreements.

The payments and benefits provided under the Executive Severance Plan in connection with a change in control may not be eligible for a federal income tax deduction by us pursuant to Section 280G of the Code. These payments and benefits may also subject an eligible participant, including the named executive officers, to an excise tax under Section 4999 of the Code. If the payments or benefits payable in connection with a change in control would be subject to the excise tax imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to the recipient.

Offer Letters in Place During the Fiscal Year Ended January 31, 2017 for Named Executive Officers

Todd McKinnon

On September 23, 2009, we entered into an offer letter with Mr. McKinnon, who currently serves as our Chief Executive Officer. The offer letter provided for Mr. McKinnon's at-will employment and sets forth his initial annual base salary and his eligibility to participate in our benefit plans generally. Mr. McKinnon is subject to our standard employment, confidential information and invention assignment agreement.

J. Frederic Kerrest

On September 23, 2009, we entered into an offer letter with Mr. Kerrest, who currently serves as our Chief Operating Officer. The offer letter provided for Mr. Kerrest's at-will employment and sets forth his initial annual base salary and his eligibility to participate in our benefit plans generally. Mr. Kerrest is subject to our standard employment, confidential information and invention assignment agreement.

Charles Race

On October 6, 2016, we entered into an offer letter with Mr. Race, who currently serves as our President, World Wide Field Operations. The offer letter provided for Mr. Race's at-will employment and sets forth his initial annual base salary, target bonus, an initial option grant, and his eligibility to participate in our benefit plans generally. Mr. Race's initial option grant covered 1,200,000 shares of our common stock and vests with respect to 25% of the shares subject thereto on the first anniversary of the vesting commencement date and 1/48th of the shares subject thereto each month thereafter, subject to Mr. Race's continued service to the Company on each applicable vesting date. If there is a change in control (as defined in the offer letter) while Mr. Race remains employed or within three months after the termination of his employment, and Mr. Race is terminated without cause (as defined in the offer letter) or resigns for good reason (as defined in the offer letter), in either case, within three months prior to, in connection with, or within twelve months after the change in control, any unvested portion of his initial option award shall immediately become vested in full.

In the event Mr. Race is terminated without cause (as defined in the offer letter) or resigns for good reason (as defined in the offer letter), and subject to him delivering a fully effective release of claims, he will be entitled to cash severance equal to three months of his then-current base salary, a prorated bonus, and reimbursement for three months of health insurance contributions.

Confirmatory Offer Letters for Named Executive Officers

In February 2017, we entered into confirmatory offer letters with each our of named executive officers which supersede and replace their existing offer letters. Such confirmatory offer letters provide for at-will employment, set forth each executive's annual base salary, target bonus opportunity if applicable, and eligibility to participate in our benefit plans generally. Each named executive officer remains subject to our standard employment, confidential information and invention assignment agreement.

Under the confirmatory offer letters (i) Mr. McKinnon's current annual base salary is $284,625 and his target annual bonus is equal to 60% of his base salary, (ii) Mr. Kerrest's current annual base salary is $279,450 and his target annual bonus is equal to 55% of his base salary and (iii) Mr. Race's current annual base salary is $300,000 and his target annual bonus is equal to 100% of his base salary.

The confirmatory offer letters provide that upon a termination by us for any reason other than for "cause," as defined therein, death or disability outside of the change in control period (which is the period beginning three months prior to and ending on the later of (a) 12 months after, a "change in control," as defined therein or (b) July 30, 2018), subject to the execution and delivery of a fully effective release of claims in favor of the company, each named executive officer will receive a lump sum cash payment equal to nine months of base (12 months for Mr. McKinnon), and (ii) a monthly cash payment equal to our contribution toward health insurance for up to nine months (12 months for Mr. McKinnon).

Upon a (i) termination by us other than for cause, death or disability or (ii) a resignation for "good reason," as defined therein, in each case within the change in control period, the named executive officer will be entitled to receive, in lieu of the payments and benefits above and subject to the execution and delivery of a fully effective release of claims in favor of the company, (i) a lump sum cash payment equal to 12 months of base salary (18 months for Mr. McKinnon), (ii) a lump sum cash payment equal to the named executive officer's annual target bonus, (iii) a monthly cash payment equal to our contribution toward health insurance for up to 12 months (18 months for Mr. McKinnon) and (iv) full accelerated vesting of all outstanding and unvested equity awards held by the named executive officer; provided, that

any unvested and outstanding equity awards subject to performance conditions will be deemed satisfied at the target levels specified in the applicable award agreements. The severance protection in the confirmatory offer letters will automatically terminate upon the first to occur of (i) the Company's adoption of the Executive Severance Plan, in which case such severance protection shall be automatically superseded and replaced by the terms of the Executive Severance Plan, or (ii) December 31, 2017, in which case each named executive officer's severance protection shall revert back to what he had in place, if anything, prior to the effectiveness of the confirmatory offer letter.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding outstanding equity awards held by our named executive officers for the fiscal year ended January 31, 2017.

	Option Awards[1]					
			Number of Securities Underlying Unexercised Options			
Name	Grant Date	Vesting Commencement Date	Exercisable(#)	Unexercisable(#)	Option Exercise Price($)	Option Expiration Date
Todd McKinnon	8/30/13	8/1/13	112,500[2][3]	—	1.40	8/29/23
	8/28/15	8/1/15	500,000[2][4]	—	7.17	8/27/25
	7/30/16	7/29/16	2,000,000[2][5]	—	8.97	7/29/26
J. Frederic Kerrest	8/30/13	8/1/13	75,000[2][6]	—	1.40	8/29/23
	8/27/14	8/1/14	75,000[2][4]	—	3.11	8/26/24
	8/28/15	8/1/15	250,000[2][4][7]	—	7.17	8/27/25
	7/30/16	7/29/16	1,000,000[2][5]	—	8.97	7/29/26
Charles Race	10/24/16	10/20/16	1,200,000[2][8]	—	8.97	10/23/26

(1) Each stock option was granted pursuant to our 2009 Plan and unless otherwise described in the footnotes below is immediately exercisable. Unless otherwise described in the footnotes below, the shares underlying the option will vest over a four-year period, with 25% of the shares to vest upon completion of one year of service measured from the vesting commencement date, and the balance to vest in 36 successive equal monthly installments, subject to continuous service.

(2) Upon a (i) termination by us other than for cause (as defined in the confirmatory offer letter), death or disability or (ii) resignation for good reason (as defined in the confirmatory offer letter), in each case within the change in control period (as defined in the confirmatory offer letter), the vesting of the shares subject to the option shall fully accelerate and become vested in full upon such termination date.

(3) Upon Mr. McKinnon's involuntary termination (as defined in the option agreement), the shares subject to this option shall accelerate as if Mr. McKinnon provided us with an additional 12 months of service. Further, if Mr. McKinnon is subject to an involuntary termination within 12 months after a change in control (as defined in the option agreement), the right of repurchase shall lapse for all of the then-unvested shares subject to the option.

(4) The shares underlying the option vest in 48 successive equal monthly installments beginning on the vesting commencement date, subject to continuous service.

(5) 20% of the shares underlying the option vest upon completion of one year of service measured from the vesting commencement date, another 20% of the shares underlying the option vest upon completion of two years of service measured from the vesting commencement date, and the balance of shares vest in 36 successive equal monthly installments, subject to continuous service.

(6) Upon Mr. Kerrest's involuntary termination (as defined in the option agreement), the shares subject to this option shall accelerate as if Mr. Kerrest provided us with an additional 12 months of service. Further, if Mr. Kerrest is subject to an involuntary termination within 12 months after a change in control (as defined in the option agreement), the right of repurchase shall lapse for all of the then-unvested shares subject to the option.

(7) This stock option was transferred to the Kerrest Family Revocable Trust on October 2, 2015.

(8) Upon a change in control (as defined in the option agreement) while Mr. Race remains employed or within three months after the termination of his employment, if Mr. Race is terminated without cause (as defined in the option agreement) or resigns for good reason (as defined in the option agreement) in either case, within three months prior to, in connection with, or within twelve months after the change in control, the then-unvested shares subject to the option shall immediately become vested in full.

Employee Benefit and Stock Plans

2017 Equity Incentive Plan

Our 2017 Equity Incentive Plan, or the 2017 Plan, was adopted by our board of directors in February 2017 and approved by our stockholders in and will become effective on the day before the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2017 Plan will replace the 2009 Plan as our board of directors has determined not to make additional awards under the 2009 Plan following the consummation of our initial public offering. The 2017 Plan allows us to make equity-based incentive awards to our officers, employees, directors and other key persons (including prospective employees, but conditioned on their employment, and consultants).

We have initially reserved shares of our Class A common stock for the issuance of awards under the 2017 Plan. The 2017 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each February 1, beginning on February 1, 2018, by 5% of the outstanding number of shares of our Class A and Class B common stock on the immediately preceding January 31 or such lesser number of shares as determined by our compensation committee. This number is subject to automatic adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2017 Plan will be authorized but unissued shares or shares that we reacquire. The shares of Class A and Class B common stock underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, expire or are otherwise terminated (other than by exercise) under the 2017 Plan and the 2009 Plan will be added back to the shares of Class A common stock available for issuance under the 2017 Plan (provided that any such shares of Class B common stock will first be converted into shares of Class A common stock).

Stock options and stock appreciation rights with respect to no more than shares of Class A common stock may be granted to any one individual in any one calendar year. The maximum number of shares that may be issued as incentive stock options may not exceed cumulatively increased on February 1, 2018 and on each February 1 thereafter by the lesser of 5% of the number of outstanding shares of Class A and Class B common stock as of the immediately preceding January 31, or shares of Class A common stock.

The 2017 Plan will be administered by our compensation committee. Our compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2017 Plan. Persons eligible to participate in the 2017 Plan will be those full or part-time officers, employees, non-employee directors and other key persons (including consultants) as selected from time to time by our compensation committee in its discretion.

The 2017 Plan permits the granting of both options to purchase Class A common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by our compensation committee but may not be less than 100% of the fair market value of our Class A common stock on the date of grant. The term of each option will be fixed by our compensation committee and may not exceed ten years from the date of grant. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of Class A common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price may not be less than 100% of the fair market value of our Class A common

stock on the date of grant. The term of each stock appreciation right will be fixed by our compensation committee and may not exceed ten years from the date of grant. Our compensation committee will determine at what time or times each stock appreciation right may be exercised.

Our compensation committee may award restricted shares of Class A common stock and restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation committee may also grant shares of Class A common stock that are free from any restrictions under the 2017 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant performance share awards to participants that entitle the recipient to receive awards of Class A common stock upon the achievement of certain performance goals and such other conditions as our compensation committee shall determine. Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of Class A common stock.

Our compensation committee may grant cash bonuses under the 2017 Plan to participants, subject to the achievement of certain performance goals.

Our compensation committee may grant awards of restricted stock, restricted stock units, performance share awards or cash-based awards under the 2017 Plan that are intended to qualify as “performance-based compensation” under Section 162(m) of the Code. Such awards will only vest or become payable upon the attainment of performance goals that are established by our compensation committee and related to one or more performance criteria. The performance criteria that could be used with respect to any such awards include without limitation: bookings, total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Class A common stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earning (loss) per share of Class A common stock, sales or market shares, number of customers, retention rate and renewal rate, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. From and after the time that we become subject to Section 162(m) of the Code, the maximum award that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code that may be made to certain of our officers during any one calendar year period is shares of Class A common stock with respect to a share-based award and $ with respect to a cash-based award.

The 2017 Plan provides that upon the effectiveness of a sale event (as defined in the 2017 Plan), an acquirer or successor entity may assume, continue or substitute for the outstanding awards under the 2017 Plan. To the extent that awards granted under the 2017 Plan are not assumed or continued or substituted for by the successor entity, all options and stock appreciation rights that are not exercisable immediately prior to the effective time of the sale event shall become fully exercisable as of the effective time of the sale event, all other awards with time-based vesting, conditions or restrictions, shall become fully vested and nonforfeitable as of the effective time of the sale event and all awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in the discretion of the compensation committee and, upon the effective time of the sale event, all outstanding awards granted under the 2017 Plan shall terminate. In the event of such termination, individuals holding options and stock appreciation rights will be permitted to exercise such options and stock appreciation rights (to the extent exercisable) prior to the sale event. In addition, in connection with the termination of the 2017 Plan upon a sale event, we may make or provide for a cash payment to participants holding vested and exercisable options and stock appreciation rights

equal to the difference between the per share cash consideration payable to stockholders in the sale event and the exercise price of the options or stock appreciation rights.

Our board of directors may amend or discontinue the 2017 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely affect rights under an award without the holder's consent. The compensation committee is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options or stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder approval. Certain amendments to the 2017 Plan require the approval of our stockholders.

No awards may be granted under the 2017 Plan after the date that is ten years from the effective date of the 2017 Plan. No awards under the 2017 Plan have been made prior to the date hereof.

2009 Stock Plan

Our 2009 Stock Plan, or our 2009 Plan, was originally adopted by our board of directors and approved by our stockholders in 2009, and has subsequently been amended, and we expect it to be amended further immediately prior to effectiveness of the registration statement of which this prospectus forms a part. Under the 2009 Plan, we have reserved for issuance an aggregate of 45,368,155 shares of our Class B common stock. The number of Class B common stock reserved for issuance is subject to automatic adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2009 Plan will be authorized but unissued shares or treasury shares. Following this offering, the shares of Class B common stock underlying any awards that are forfeited, canceled, withheld upon exercise an of option or settlement of an award to cover the exercise price or tax withholding, reacquired by us, or otherwise terminated (other than by exercise) will be added to the shares of Class A common stock available for issuance under the 2017 Plan (after being converted into shares of Class A common stock).

Our board of directors or compensation committee is the administrator of the 2009 Plan. The administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, and to determine the specific terms and conditions of each award, subject to the provisions of the 2009 Plan. The administrator is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options or stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder approval. Persons eligible to participate in the 2009 Plan are those full or part-time officers, employees, directors, consultants and other key persons (including prospective employees, but conditioned upon their employment) of the company and its subsidiaries as selected from time to time by the administrator in its discretion.

The 2009 Plan permits the granting of (1) options to purchase Class B common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. The option exercise price of each option will be determined by the administrator but may not be less than 100% of the fair market value of the Class B common stock on the date of grant. The term of each option will be fixed by the administrator and may not exceed ten years from the date of grant. The administrator will determine at what time or times each option may be exercised.

The 2009 Plan also permits the granting of restricted stock to participants subject to such conditions and restrictions as the administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. The administrator may also make awards of stock appreciation rights, restricted stock units, and unrestricted stock.

The 2009 Plan provides that upon the occurrence of a merger or consolidation, all outstanding stock options will either (i) be continued, assumed, or substituted for by the acquirer or successor

entity; (ii) become fully vested and exercisable and terminate at the effective time of such merger or consolidation or (iii) be cancelled in exchange for a cash payment.

No awards may be granted under the 2009 Plan after the date that is 10 years from the date the 2009 Plan was most recently amended and restated by the board of directors and approved by the stockholders. Our board of directors has determined not to make any further awards under the 2009 Plan following the completion of this offering.

2017 Employee Stock Purchase Plan

In February 2017, our board of directors adopted, and in our shareholders approved, our 2017 Employee Stock Purchase Plan, or the ESPP. The ESPP will become effective immediately one day prior to the time that the registration statement of which this prospectus forms a part is declared effective by the SEC. The ESPP initially reserves and authorizes the issuance of up to a total of shares of our Class A common stock to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase each February 1, beginning on February 1, 2018, by the lesser of (i) shares of our Class A common stock, (ii) 1% of the outstanding number of shares of our Class A and Class B common stock on the immediately preceding January 31, or (iii) such lesser number of shares of our Class A common stock as determined by the plan administrator. The share reserve is subject to automatic adjustment in the event of a stock split, stock dividend or other change in our capitalization.

All employees who we have employed for at least 10 days and whose customary employment is for more than 20 hours a week are eligible to participate in the ESPP. Any employee who owns 5% or more of the total combined voting power or value of all classes of our stock is not eligible to purchase shares of our Class A common stock under the ESPP.

We will make one or more offerings each year to our employees to purchase shares of our Class A common stock under the ESPP. The first offering will begin on the effective date of the registration statement of which this prospectus forms a part and, unless otherwise determined by the administrator of the ESPP, will end on the date that is approximately months following such date. Each eligible employee as of the date of the closing of the offering will be deemed to be a participant in the ESPP at that time and must authorize payroll deductions or other contributions by completing an electronic enrollment form within 10 days after the commencement of the first offering. Subsequent offerings will typically begin on each December 21 and June 21 and will continue for twelve-month periods, referred to as offering periods. Each offering period will be divided into two equal six month purchase periods. Unless as otherwise determined by the plan administrator, eligible employees will only be permitted to participate in one offering at a time. If the fair market value of our Class A common stock on the exercise date is less than the fair market value on the first trading day of the offering period, participants will be withdrawn from the current offering period following their purchase of our Class A common stock on the purchase date and will be automatically re-enrolled in a new offering period. Each eligible employee may elect to participate in an offering by completing an electronic enrollment form at least 15 days, or such other deadline as established by the plan administrator, before the applicable offering date. Our ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in our ESPP.

Each employee who is a participant in the ESPP may purchase shares of our Class A common stock by authorizing payroll deductions of up to 15% of his or her base salary during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares of our Class A common stock on the last business day of the applicable offering period equal to the lowest of (i) the accumulated payroll deductions divided by either a per share price equal to 85% of the fair market value of a share of our Class A common stock on the first business day or the last business day of the offering period, whichever is lower, (ii) shares of our Class A common stock, or (iii) such other lesser maximum number of shares of our Class A common

stock as shall have been established by the plan administrator in advance of the offering. Under applicable tax rules, an employee may purchase no more than $25,000 worth of shares of our Class A common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee's rights under the ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of our Class A common stock that are authorized under the ESPP and certain other amendments require the approval of our shareholders.

Senior Executive Incentive Bonus Plan

In February 2017, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan will become effective on the day before the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC. The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by our compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, or the Corporate Performance Goals, as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among, without limitation, the following: bookings, total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Class A common stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Class A common stock, sales or market shares, number of customers, retention rate, and renewal rate, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, as compared to results of a peer group, against the market as a whole, compared to applicable market indices and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the Corporate Performance Goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period. Subject to the rights contained in any agreement between the executive officer and us, an executive officer must be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.

401(k) Plan

We maintain a tax-qualified retirement plan that provides all regular U.S. employees with an opportunity to save for retirement on a tax-advantaged basis. Under our 401(k) plan, participants may elect to defer a portion of their compensation on a pre-tax basis and have it contributed to the plan subject to applicable annual limits under the Code. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employee elective deferrals are 100% vested at all times. As a U.S. tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan and all contributions are deductible by us when made.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements and indemnification arrangements, discussed, when required, in the sections titled “Management” and “Executive Compensation” and the registration rights described in the section titled “Description of Capital Stock—Registration Rights,” the following is a description of each transaction since February 1, 2013 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Equity Financings

Series D Redeemable Convertible Preferred Stock Financing

On August 6, 2013, we sold an aggregate of 6,833,651 shares of our Series D redeemable convertible preferred stock at a purchase price of $4.02 per share, for an aggregate purchase price of $27.5 million, pursuant to our Series D redeemable convertible preferred stock financing. The following table summarizes purchases of our Series D redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series D Convertible Preferred Stock	Total Purchase Price
SC US GF V Holdings, Ltd.(1)	3,416,827	$13,749,997
Andreessen Horowitz Fund I, L.P., as nominee(2)	1,439,592	5,793,206
Entities affiliated with Greylock Partners(3)	1,300,337	5,232,820
Entities affiliated with Khosla Ventures(4)	676,895	2,723,965

(1) SC US GF V Holdings, Ltd. is an affiliate of Sequoia Capital. Patrick Grady, a member of our board of directors, is a partner at Sequoia Capital.

(2) Andreessen Horowitz Fund I, L.P., as nominee, is an affiliate of Andreessen Horowitz. Ben Horowitz, a member of our board of directors, is a general partner at Andreessen Horowitz.

(3) Affiliates of Greylock Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are Greylock XIII Limited Partnership, Greylock XIII-A Limited Partnership and Greylock XIII Principals LLC. Aneel Bhusri, a former member of our board of directors, is a partner at Greylock Partners.

(4) Affiliates of Khosla Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information are Khosla Ventures IV, L.P. and Khosla Ventures IV (CF), LP.

Series E Redeemable Convertible Preferred Stock Financing

On May 23, 2014, we sold an aggregate of 9,484,234 shares of our Series E redeemable convertible preferred stock at a purchase price of $7.91 per share, for an aggregate purchase price of $75.0 million, pursuant to our Series E redeemable convertible preferred stock financing. The following table summarizes purchases of our Series E redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series E Convertible Preferred Stock	Total Purchase Price
Entities affiliated with Sequoia Capital(1)	5,058,254	$40,000,006
AH Parallel Fund IV, L.P., as nominee(2)	1,444,953	11,426,496
Entities affiliated with Greylock Partners(3)	1,065,608	8,426,694
Entities affiliated with Khosla Ventures(4)	587,623	4,646,848

(1) Affiliates of Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information are Sequoia Capital U.S. Growth Fund VI, L.P. and Sequoia Capital U.S. Growth VI Principals Fund, L.P. Patrick Grady, a member of our board of directors, is a partner at Sequoia Capital.

(2) AH Parallel Fund IV, L.P., as nominee, is an affiliate of Andreessen Horowitz. Ben Horowitz, a member of our board of directors, is a general partner at Andreessen Horowitz.

(3) Affiliates of Greylock Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are Greylock XIII Limited Partnership, Greylock XIII-A Limited Partnership and Greylock XIII Principals LLC. Aneel Bhusri, a former member of our board of directors, is a partner at Greylock Partners.

(4) Affiliates of Khosla Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information are Khosla Ventures IV, L.P. and Khosla Ventures IV (CF), LP.

Series F Redeemable Convertible Preferred Stock Financing

From July 2015 through September 2015, we sold an aggregate of 6,241,936 shares of our Series F redeemable convertible preferred stock at a purchase price of $12.02 per share, for an aggregate purchase price of $75.0 million, pursuant to our Series F redeemable convertible preferred stock financing. The following table summarizes purchases of our Series F redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series F Convertible Preferred Stock	Total Purchase Price
AH Parallel Fund IV, L.P., as nominee(1)	1,862,747	$22,381,837
Entities affiliated with Sequoia Capital(2)	1,862,746	22,381,825
Entities affiliated with Greylock Partners(3)	1,226,445	14,736,350
Entities affiliated with Khosla Ventures(4)	41,614	500,013

(1) AH Parallel Fund IV, L.P., as nominee, is an affiliate of Andreessen Horowitz. Ben Horowitz, a member of our board of directors, is a general partner at Andreessen Horowitz.

(2) Affiliates of Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information are Sequoia Capital U.S. Growth Fund VI, L.P. and Sequoia Capital U.S. Growth VI Principals Fund, L.P. Patrick Grady, a member of our board of directors, is a partner at Sequoia Capital.

(3) Affiliates of Greylock Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are Greylock XIII Limited Partnership, Greylock XIII-A Limited Partnership and Greylock XIII Principals LLC. Aneel Bhusri, a former member of our board of directors, is a partner at Greylock Partners.

(4) Affiliates of Khosla Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information are Khosla Ventures IV, L.P. and Khosla Ventures IV (CF), LP.

Investors' Rights Agreement

We are party to an amended and restated investors' rights agreement which provides, among other things, that certain holders of our capital stock, including entities affiliated with Andreessen Horowitz Fund I, L.P., Greylock XIII Limited Partnership, Sequoia Capital U.S. Growth Fund VI, L.P. and Khosla Ventures IV, L.P., have the right to demand that we file a registration statement or request that their shares of our capital stock be included on a registration statement that we are otherwise filing. See the section titled "Description of Capital Stock—Registration Rights" for more information regarding these registration rights.

Right of First Refusal

Pursuant to our equity compensation plans and certain agreements with our stockholders, including a right of first refusal and co-sale agreement with certain holders of our capital stock, including entities affiliated with Andreessen Horowitz Fund I, L.P., Greylock XIII Limited Partnership, Sequoia Capital U.S. Growth Fund VI, L.P. and Khosla Ventures IV, L.P., which each hold more than 5% of our outstanding capital stock, Todd McKinnon, our co-founder and Chief Executive Officer, and J. Frederic Kerrest, our co-founder and Chief Operating Officer, we or our assignees have a right to purchase shares of our capital stock which certain stockholders propose to sell to other parties. This right will terminate upon completion of this offering. Since February 1, 2013, we have waived our right of first refusal in connection with the sale of certain shares of our capital stock, including sales by certain of our executive officers, resulting in the purchase of such shares by certain of our stockholders at prices in excess of the estimated fair value of such shares at the time of the transactions. As a result, during the years ended January 31, 2015 and 2016, we recorded a total of $3.2 million and $2.1 million, respectively, in stock-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transaction. See the section titled "Principal Stockholders" for additional information regarding beneficial ownership of our capital stock.

Voting Agreement

We are party to a voting agreement under which certain holders of our capital stock, including entities affiliated with Andreessen Horowitz Fund I, L.P., Greylock XIII Limited Partnership, Sequoia Capital U.S. Growth Fund VI, L.P. and Khosla Ventures IV, L.P., Todd McKinnon, our co-founder and Chief Executive Officer, and J. Frederic Kerrest, our co-founder and Chief Operating Officer, have agreed as to the manner in which they will vote their shares of our capital stock on certain matters, including with respect to the election of directors. Upon completion of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Transactions with Workday, Inc.

In June 2012, we entered into a License Agreement with Workday, Inc., or Workday, for the use of our products and services. We recognized revenue of $48,754, $109,701 and $140,087 from Workday in fiscal years 2014, 2015 and 2016, respectively. In January 2014, we entered into a License Agreement with One Source Virtual HR, Inc., a Workday reseller, for the use of Workday's products and services. We made payments to One Source Virtual HR, Inc. of $216,474 and $195,500 in fiscal years 2015 and 2016, respectively. In February 2017, we entered into a Master Subscription Agreement with Workday for the use of Workday's products and services for an aggregate of $617,672, to be paid in equal installments in fiscal years 2018, 2019 and 2020.

Aneel Bhusri, the Chief Executive Officer of Workday, Inc., served as a member of our board of directors from May 2011 to December 2016. Michael Stankey, the Vice Chairman of Workday, Inc., joined our board of directors in December 2016, replacing Mr. Bhusri.

Other Transactions

We have granted stock options to our executive officers and certain of our directors. See the sections titled “Executive Compensation” and “Management—Non-Employee Director Compensation” for a description of these options.

We have entered into change in control arrangements with certain of our executive officers that, among other things, provide for certain severance and change in control benefits. See the section titled “Executive Compensation—Employment Agreements and Termination of Employment Arrangements” for more information regarding these agreements.

Other than as described above under this section titled “Certain Relationships and Related Person Transactions,” since February 1, 2013, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

Limitation of Liability and Indemnification of Officers and Directors

Prior to the completion of this offering, we expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, prior to the completion of this offering, we expect to adopt amended and restated bylaws which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to very limited exceptions.

Further, prior to the completion of this offering, we expect to enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification

agreements will require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements will also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement provides for indemnification by the underwriters of us and our officers, directors and employees for certain liabilities arising under the Securities Act, or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Related Party Transactions

Following the completion of this offering, our audit committee charter will provide that the audit committee will have the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members.

All of the transactions described above were entered into prior to the adoption of this policy. Accordingly, each was approved by disinterested members of our board of directors after making a determination that the transaction was executed on terms no less favorable than those that could have been obtained from an unrelated third party.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 28, 2017, as adjusted to reflect the sale of Class A common stock offered by us in this offering assuming no exercise of the underwriters' option to purchase additional shares, for:

- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than five percent of any class of our voting securities.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of February 28, 2017 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

We have based percentage ownership of our common stock before this offering on 81,416,581 shares of our common stock outstanding as of February 28, 2017, which includes 59,465,439 shares of Class B common stock resulting from the automatic conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock immediately prior to the completion of this offering, as if this conversion and reclassification had occurred as of February 28, 2017. Percentage ownership of our common stock after this offering assumes our sale of shares of Class A common stock in this offering.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Okta, Inc., 301 Brannan Street, San Francisco, California 94107.

	Shares Beneficially Owned Prior to the Offering		Shares Beneficially Owned After the Offering		Percent of Total Voting Power After the Offering
	Number	Percentage	Number	Percentage	
5% Stockholders:					
Entities affiliated with Sequoia[1]	17,277,116	21.2%	17,277,116		
Entities affiliated with Andreessen Horowitz[2]	15,993,286	19.6%	15,993,286		
Entities affiliated with Greylock[3]	13,750,542	16.9%	13,750,542		
Entities affiliated with Khosla[4]	6,593,994	8.1%	6,593,994		
Named Executive Officers and Directors:					
Todd McKinnon[5]	8,614,021	10.3%	8,614,021		
J. Frederic Kerrest[6]	5,151,520	6.2%	5,151,520		
Charles Race[7]	1,200,000	1.5%	1,200,000		
Patrick Grady[8]	17,277,116	21.2%	17,277,116		
Ben Horowitz[9]	15,993,286	19.6%	15,993,286		
Michael Kourey[10]	300,000	*	300,000		
Michael Stankey[11]	190,000	*	190,000		
Michelle Wilson	190,000	*	190,000		
All directors and executive officers as a group (10 persons)[12]	50,988,785	57.4%	50,988,785		

* Represents less than one percent (1%).

(1) Consists of (i) 10,356,116 shares of Class B common stock held of record by SC US GF V Holdings, Ltd., (ii) 6,590,868 shares of Class B common stock held of record by Sequoia Capital U.S. Growth Fund VI, L.P., and (iii) 330,132 shares of Class B common stock held of record by Sequoia Capital U.S. Growth VI Principals Fund, L.P. SC US (TTGP), Ltd. is the general partner of SC U.S. Growth VI Management, L.P., which is the general partner of each of Sequoia Capital U.S. Growth Fund VI, L.P. and Sequoia Capital U.S. Growth VI Principals Fund, L.P. Each of SC US (TTGP), Ltd. and SC U.S. Growth VI Management, L.P. may be deemed to share voting and dispositive power over the shares held by each of Sequoia Capital U.S. Growth Fund VI, L.P. and Sequoia Capital U.S. Growth VI Principals Fund, L.P. Sequoia Capital U.S. Growth Fund V, L.P. and Sequoia Capital USGF Principals Fund V, L.P. together own 100% of the outstanding shares held by SC US GF V Holdings, Ltd. SC US (TTGP), Ltd. is the general partner of SCGF V Management, L.P., which is the general partner of each of Sequoia Capital U.S. Growth Fund V, L.P. and Sequoia Capital USGF Principals Fund V, L.P. Each of SC US (TTGP), Ltd., SCGF V Management, L.P., Sequoia Capital U.S. Growth Fund V, L.P. may be deemed to share voting and dispositive power over the shares held by SC US GF V Holdings, Ltd. The address for each of these entities is 2800 Sand Hill Road, Ste. 101, Menlo Park, CA 94025.

(2) Consists of (i) 3,307,700 shares of Class B common stock held of record by AH Parallel Fund IV, L.P. for itself and as nominee for AH Parallel Fund IV-A, L.P., AH Parallel Fund IV-B, L.P., and AH Parallel Fund IV-Q, L.P. (collectively, the "AH Parallel Fund IV Entities") and (ii) 12,685,586 shares of Class B common stock held of record by Andreessen Horowitz Fund I, L.P., as nominee for Andreessen Horowitz Fund I, L.P., Andreessen Horowitz Fund I-A, L.P., and Andreessen Horowitz Fund I-B, L.P. (collectively, the "AH Fund I Entities"). AH Equity Partners IV (Parallel), L.L.C. ("AH EP IV Parallel") is the general partner of the AH Parallel Fund IV Entities. The managing members of AH EP IV Parallel are Marc Andreessen and Ben Horowitz. AH EP IV Parallel has sole voting and dispositive power with regard to the shares held by the AH Parallel Fund IV Entities. AH Equity Partners I, L.L.C. ("AH EP I") is the general partner of the AH Fund I Entities. The managing members of AH EP I are Marc Andreessen and Ben Horowitz. AH EP I has sole voting and dispositive power with regard to the shares held by the AH Fund I Entities. The address for each of these entities is 2865 Sand Hill Road, Suite 101, Menlo Park, CA 94025.

(3) Consists of (i) 12,255,309 shares of Class B common stock held of record by Greylock XIII Limited Partnership, (ii) 391,891 shares of Class B common stock held of record by Greylock XIII Principals LLC and (iii) 1,103,342 shares of Class B common stock of record by Greylock XIII-A Limited Partnership. Greylock VIII GP LLC ("Greylock XIII GP") is the General Partner of Greylock XIII Limited Partnership ("Greylock XIII") and Greylock XIII-A Limited Partnership ("Greylock XIII-A"). Greylock Management Corporation ("Greylock Management") is the sole member of Greylock XIII Principals LLC ("Greylock XIII Principals"). Greylock XIII GP may be deemed to have voting and dispositive power over the shares held by Greylock XIII and Greylock XIII-A. Greylock Management may be deemed to have voting and dispositive power over the shares held by Greylock XIII Principals. William W. Helman, Aneel Bhusri, Donald A. Sullivan and David Sze are Senior Managing Members of Greylock XIII GP and the directors of Greylock Management (collectively, the "Managers"). The address for each of these entities is 2550 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(4) Consists of (i) 396,235 shares of Class B common stock held of record by Khosla Ventures IV (CF), LP and (ii) 6,197,759 shares of Class B common stock held of record by Khosla Ventures IV, LP. (collectively, the "Khosla Entities"). Khosla Ventures Associates IV, LLC ("KVA IV") is the general partner of the Khosla Entities. VK Services, LLC ("VK Services") is the sole manager of KVA IV. Vinod Khosla is the managing member of VK Services. Each of KVA IV, VK Services, and Vinod Khosla may be deemed to share voting and dispositive power over the shares held by the Khosla Entities. The address for each of these entities is 2128 Sand Hill Road, Menlo Park, CA 94025.

(5) Consists of (i) 5,868,133 shares of Class B common stock held of record by Todd Roland McKinnon and Roxanne Veronica Stachon, Trustees of the McKinnon Stachon Family Trust dated June 16, 2006, (ii) 133,388 shares of Class B common stock held of record by Todd Roland McKinnon, Trustee of the McKinnon 2014 GRAT dated March 25, 2014 and (iii) 2,612,500 shares of Class B common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017. Todd Roland McKinnon and Roxanne Veronica Stachon share voting and dispositive power over the McKinnon Stachon Family Trust. Todd Roland McKinnon holds sole voting and dispositive power over the McKinnon 2014 GRAT dated March 25, 2014.

(6) Consists of (i) 3,274,189 shares of Class B common stock held of record by Jacques Frederic Kerrest and Sara Livingston Johnson, as Trustees of the Kerrest Family Revocable Trust, (ii) 196,885 shares of Class B common stock held of record by Jacques Frederic Kerrest, as Trustee of the Kerrest 2013 GRAT, (iii) 210,335 shares of Class B common stock held of record by Jacques Frederic Kerrest, as Trustee of the Kerrest 2015 GRAT, (iv) 70,111 shares of Class B common stock held of record by Jacques Frederic Kerrest, as Trustee of the Kerrest/Johnson 2015 GRAT and (v) 1,400,000 shares of Class B common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017, of which 350,000 shares are held by Jacques Frederic Kerrest and Sara Livingston Johnson, as Trustees of the Kerrest Family Revocable Trust and 1,050,000 shares are held by J. Frederic Kerrest. Jacques Frederic Kerrest and Sara Livingston Johnson share voting and dispositive power over the Kerrest Family Revocable Trust, the Kerrest 2013 GRAT, the Kerrest 2015 GRAT and the Kerrest/Johnson 2015 GRAT.

(7) Consists of 1,200,000 shares of Class B common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017.

(8) Consists of shares held by the entities affiliated with Sequoia identified in footnote 1.

(9) Consists of shares held by the entities affiliated with Andreessen Horowitz identified in footnote 2.
(10) Consists of 300,000 shares of Class B common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017.
(11) Consists of 190,000 shares of Class B common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017.
(12) Consists of (i) 43,574,865 shares of Class B common stock beneficially owned by our current directors and executive officers and (ii) 7,413,920 shares of common stock subject to outstanding options that are exercisable within 60 days of February 28, 2017.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes the most important terms of our capital stock, as they are expected to be in effect upon the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws in connection with this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled "Description of Capital Stock," you should refer to our amended and restated certificate of incorporation and amended and restated bylaws and our amended and restated investor rights' agreement, which are or will be included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Immediately following the completion of this offering, our authorized capital stock will consist of 1,000,000,000 shares of Class A common stock, $0.0001 par value per share, 120,000,000 shares of Class B common stock, $0.0001 par value per share, and 100,000,000 shares of undesignated preferred stock, $0.0001 par value per share.

Assuming the conversion of all outstanding shares of our redeemable convertible preferred stock into shares of our Class B common stock, which will occur immediately prior to the completion of this offering, as of October 31, 2016, there were no outstanding shares of Class A common stock and 79,449,658 shares of our Class B common stock outstanding, held by 328 stockholders of record, and no shares of our redeemable convertible preferred stock outstanding. Our board of directors is authorized, without stockholder approval except as required by the listing standards of the NASDAQ to issue additional shares of our capital stock.

Class A Common Stock and Class B Common Stock

Upon the completion of this offering, we will have authorized a class of Class A common stock and a class of Class B common stock. All outstanding shares of our existing common stock and redeemable convertible preferred stock will be reclassified into shares of our new Class B common stock. In addition, any options to purchase shares of our capital stock outstanding prior to the completion of this offering will become eligible to be settled in or exercisable for shares of our new Class B common stock.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share, and holders of our Class B common stock are entitled to 10 votes per share, on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and

- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

We do not expect to provide for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation and amended and restated bylaws will establish a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Fully Paid and Non-Assessable

All of the outstanding shares of our Class B common stock are, and the shares of our Class A common stock to be issued pursuant to this offering will be, fully paid and non-assessable.

Preferred Stock

Following this offering, our board of directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our Class A common stock and Class B common stock. We have no current plan to issue any shares of preferred stock.

Options

As of October 31, 2016, we had outstanding options to purchase an aggregate of 32,159,524 shares of our Class B common stock, with a weighted-average exercise price of $5.83, pursuant to our 2009 Plan, which was adopted in October 2009 and last amended in February 2017.

Registration Rights

After the completion of this offering, certain holders of our Class B common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration

rights are contained in our Amended and Restated Investors' Rights Agreement, or the IRA, dated as of July 31, 2015. We, along with certain holders of our redeemable convertible preferred stock are parties to the IRA. The registration rights set forth in the IRA will expire five years following the completion of this offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act during any 90-day period. We will pay the registration expenses (other than underwriting discounts and selling commissions) of the holders of the shares registered pursuant to the registrations described below, including the reasonable fees of one counsel for the selling holders. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include. In connection with this offering, each stockholder that has registration rights agreed not to sell or otherwise dispose of any securities without the prior written consent of the underwriters for a period of 180 days after the date of this prospectus, subject to certain terms and conditions. See the section titled "Underwriting" for more information regarding such restrictions.

Demand Registration Rights

After the completion of this offering, the holders of approximately 59,494,497 shares of our Class B common stock will be entitled to certain demand registration rights. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days. Additionally, we will not be required to effect a demand registration during the period beginning with 60 days prior to our good faith estimate of the date of the filing of, and ending up to 180 days following the effectiveness of, a registration statement relating to the public offering of our common stock.

Piggyback Registration Rights

After the completion of this offering, if we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock the holders of up to approximately 59,494,497 shares of our Class B common stock will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration related to a company stock plan, (2) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our common stock or (3) a registration in which the only common stock being registered is common stock issuable upon the conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

After the completion of this offering, the holders of up to approximately 59,494,497 shares of our Class B common stock may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and commissions, of at least $10.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12 month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Anti-Takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing a change in our control.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

- *Dual Class Stock*. As described above in the subsection titled "—Class A Common Stock and Class B Common Stock—Voting Rights," our amended and restated certificate of incorporation will provide for a dual class common stock structure, which will provide our founders, current investors, executives and employees with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company of its assets.
- *Board of Directors Vacancies*. Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and promote continuity of management.
- *Classified Board*. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See the section titled "Management—Board of Directors."
- *Stockholder Action; Special Meeting of Stockholders*. Our amended and restated certificate of incorporation will provide that our stockholders may not take action by written consent, but

may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the Chairperson of our board of directors or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

- *Advance Notice Requirements for Stockholder Proposals and Director Nominations*. Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- *No Cumulative Voting*. The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.
- *Directors Removed Only for Cause*. Our amended and restated certificate of incorporation will provide that stockholders may remove directors only for cause.
- *Amendment of Charter Provisions*. Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least two-thirds of our then outstanding common stock.
- *Issuance of Undesignated Preferred Stock*. Our board of directors has the authority, without further action by the stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock and Class B common stock will be Computershare Trust Company, N.A. The transfer agent's address is 250 Royall Street, Canton, MA 02021.

Listing

We have applied for the listing of our Class A common stock on the NASDAQ Global Select Market under the symbol "OKTA."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of shares of our capital stock outstanding as of October 31, 2016, we will have a total of shares of our Class A common stock and 79,449,658 shares of our Class B common stock outstanding, assuming the automatic conversion and reclassification of all outstanding shares of our redeemable convertible preferred stock into 59,465,439 shares of our Class B common stock immediately prior to the completion of this offering. Of these outstanding shares, all of the shares of Class A common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our Class B common stock will be deemed “restricted securities” as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. In addition, all of our executive officers, directors and holders of substantially all of our common stock and securities convertible into or exchangeable for our Class B common stock have entered into market standoff agreements with us or lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus. As a result of these agreements and the provisions of our investor rights’ agreement described above under the section titled “Description of Capital Stock—Registration Rights,” subject to the provisions of Rule 144 or Rule 701, based on an assumed offering date of , shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, the shares of Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning 181 days after the date of this prospectus, subject to extension as described in the section titled “Underwriting” below, additional shares of Class B common stock will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- the remainder of the shares of Class B common stock will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144, as described below.

Lock-Up Agreements

We, our executive officers, directors and holders of substantially all of our Class B common stock and securities convertible into or exchangeable for our Class B common stock, have agreed or will agree that, subject to certain exceptions, for a period of 180 days from the date of this prospectus, we and they will not, without the prior written consent of Goldman, Sachs & Co. and J.P. Morgan Securities LLC, dispose of or hedge any shares or any securities convertible into or exchangeable for

shares of our capital stock. Goldman, Sachs & Co. and J.P. Morgan Securities LLC, in their discretion, may release any of the securities subject to these lock-up agreements at any time. This agreement is further described as set forth in the section titled “Underwriting.”

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Registration Rights

Pursuant to our amended and restated investors’ rights agreement, the holders of up to 59,494,497 shares of our Class B common stock (including shares issuable upon the conversion of our outstanding redeemable convertible preferred stock immediately prior to the completion of this offering and upon the exercise of a warrant held by Silicon Valley Bank), or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled “Description of Capital Stock—Registration Rights” for a description of these registration rights. If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act, and a large number of shares may be sold into the public market.

Registration Statement on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our Class A common stock and Class B common stock issued or reserved for issuance under our 2009 Plan and our 2017 Plan. We expect to file this registration statement as promptly as possible after the completion of this offering. Shares covered by this registration statement will be eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable lock-up agreements and market standoff agreements. As of October 31, 2016, options to purchase a total of 32,159,524 shares of our Class B common stock pursuant to our 2009 Plan were outstanding, of which options to purchase 31,904,998 shares were exercisable, and no options were outstanding or exercisable under our 2017 Plan.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of certain material U.S. federal income and estate tax considerations relating to ownership and disposition of our common stock by a non-U.S. holder. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (as defined in the Code) have authority to control all substantial decisions of the trust or if the trust has a valid election in effect to be treated as a U.S. person under applicable U.S. Treasury Regulations.

A modified definition of "non-U.S. holder" applies for U.S. federal estate tax purposes (as discussed below).

This discussion is based on current provisions of the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus and all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences to non-U.S. holders described in this prospectus. In addition, the Internal Revenue Service, or the IRS, could challenge one or more of the tax consequences described in this prospectus.

We assume in this discussion that each non-U.S. holder holds shares of our common stock as a capital asset (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of state, local or non-U.S. taxes, alternative minimum tax, or U.S. federal taxes other than income and estate taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address any special tax rules that may apply to particular non-U.S. holders, such as:

- insurance companies;
- tax-exempt organizations;
- financial institutions;
- brokers or dealers in securities;
- pension plans;
- controlled foreign corporations;
- passive foreign investment companies;
- owners that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;
- certain U.S. expatriates;
- persons who have elected to mark securities to market;
- persons subject to the unearned income Medicare contribution tax; or
- persons that acquire our common stock as compensation for services.

In addition, this discussion does not address the tax treatment of partnerships (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) or other entities that are transparent for U.S. federal income tax purposes or persons who hold their common stock through such entities. In the case of a holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a person treated as a partner in such partnership for U.S. federal income tax purposes generally will depend on the status of the partner and the activities of the partner and the partnership. A person treated as a partner in a partnership or who holds their stock through another transparent entity should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our common stock through a partnership or other transparent entity, as applicable.

Prospective investors should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of our common stock.

Distributions on our Common Stock

We do not currently expect to pay dividends. See the section titled “Dividend Policy” above in this prospectus. However, in the event that we do pay distributions of cash or property on our common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder’s investment, up to such holder’s tax basis in our common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading “Gain on Sale, Exchange or Other Taxable Disposition of Common Stock.”

Subject also to the discussions below under the headings “Information Reporting and Backup Withholding Tax” and “Foreign Account Tax Compliance Act,” dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence. If we are unable to determine, at a time reasonably close to the date of payment of a distribution on our common stock, what portion, if any, of the distribution will constitute a dividend, then we may withhold U.S. federal income tax on the basis of assuming that the full amount of the distribution will be a dividend. If we or another withholding agent apply over-withholding, a non-U.S. holder may be entitled to a refund or credit of any excess tax withheld by timely filing an appropriate claim with the IRS.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements. To obtain this exemption, a non-U.S. holder must generally provide us with a properly executed original IRS Form W-8ECI properly certifying such exemption. However, such U.S. effectively connected income, net of specified deductions and credits, will be taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence.

A non-U.S. holder of our common stock who claims the benefit of an applicable income tax treaty between the United States and such holder’s country of residence generally will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or applicable successor form) and satisfy

applicable certification and other requirements. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances. The certification requirements described above also may require a non-U.S. holder to provide its U.S. taxpayer identification number.

Gain on Sale, Exchange or Other Taxable Disposition of Common Stock

Subject to the discussions below under the headings “Information Reporting and Backup Withholding Tax” and “Foreign Account Tax Compliance Act,” a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax on gain recognized on a sale, exchange or other taxable disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States, and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons, and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty, may also apply;
- the non-U.S. holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the amount by which the non-U.S. holder’s capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition (without taking into account any capital loss carryovers); or
- we are or were a “U.S. real property holding corporation” during a certain look-back period, unless our common stock is regularly traded on an established securities market and the non-U.S. holder held no more than five percent of our outstanding common stock, directly or indirectly, during the shorter of the five-year period ending on the date of the disposition or the period that the non-U.S. holder held our common stock. Generally, a corporation is a “U.S. real property holding corporation” if the fair market value of its “U.S. real property interests” equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance, we believe that we have not been and are not currently, and we do not anticipate becoming, a “U.S. real property holding corporation” for U.S. federal income tax purposes.

Information Reporting and Backup Withholding Tax

We (or the applicable paying agent) must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on our common stock. Generally, a holder will comply with such procedures if it provides a properly executed IRS Form W-8BEN or W-8BEN-E or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or

foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a foreign broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement. Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder may be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Foreign Account Tax Compliance Act

Legislation commonly referred to as the Foreign Account Tax Compliance Act and associated guidance, or collectively, FATCA, will generally impose a 30% withholding tax on any "withholdable payment" (as defined below) to a "foreign financial institution," unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or another applicable exception applies or such institution is compliant with applicable foreign law enacted in connection with an applicable intergovernmental agreement between the United States and a foreign jurisdiction. FATCA will also generally impose a 30% withholding tax on any "withholdable payment" (as defined below) to a foreign entity that is not a financial institution, unless such entity provides the withholding agent with a certification identifying the substantial U.S. owners of the entity (which generally includes any U.S. person who directly or indirectly owns more than 10% of the entity), if any, or another applicable exception applies or such entity is compliant with applicable foreign law enacted in connection with an applicable intergovernmental agreement between the United States and a foreign jurisdiction. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes.

"Withholdable payments" generally include dividends on our common stock, and beginning on January 1, 2019, will also include the gross proceeds of a disposition of our common stock. The FATCA withholding tax will apply regardless of whether a payment would otherwise be exempt from or not subject to U.S. nonresident withholding tax (e.g., as capital gain).

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty provides otherwise.

The preceding discussion of material U.S. federal tax considerations is for general information only. It is not tax advice. Prospective investors should consult their own tax advisors regarding the particular U.S. federal, state, local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed changes in applicable laws.

UNDERWRITING

We and the underwriters named below will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and J.P. Morgan Securities LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
J.P. Morgan Securities LLC	
Allen & Company LLC	
Pacific Crest Securities, a division of KeyBanc Capital Markets Inc.	
Canaccord Genuity Inc.	
JMP Securities LLC	
Total	

The underwriters will be committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters will have an option to buy up to an additional shares from us. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our Class B common stock have agreed or will agree with the underwriters, subject to certain exceptions, not to dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of such agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. The representatives in their discretion may release any of the securities subject to such agreements at any time. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated among the representatives and us. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our Class A common stock on the NASDAQ Global Select Market under the symbol "OKTA".

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our Class A common stock. As a result, the price of our Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NASDAQ Global Select Market, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount not to exceed $30,000 as set forth in the underwriting agreement.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ million.

We will agree to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and

other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), an offer to the public of our common shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our common shares may be made at any time under the following exemptions under the Prospectus Directive:

- To any legal entity which is a qualified investor as defined in the Prospectus Directive;
- To fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer or shares of our common stock shall result in a requirement for the publication by us or any Brazilian placement agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to public” in relation to our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase our common shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other

circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by

the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

Goodwin Procter LLP, Menlo Park, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of Class A common stock being offered by this prospectus. The underwriters have been represented by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at January 31, 2015 and 2016, and for each of the two years in the period ended January 31, 2016, as set forth in their report. We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.okta.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

OKTA, INC.

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Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Okta, Inc.

We have audited the accompanying consolidated balance sheets of Okta, Inc. as of January 31, 2015 and 2016, and the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' deficit and cash flows for each of the two years in the period ended January 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Okta, Inc. at January 31, 2015 and 2016, and the consolidated results of its operations and its cash flows for each of the two years in the period ended January 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

San Francisco, California
December 20, 2016

OKTA, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

	As of January 31,		As of October 31,	Pro Forma as of October 31,
	2015	2016	2016	2016
			(unaudited)	
Assets				
Current assets:				
Cash and cash equivalents	$ 18,197	$ 54,408	$ 20,134	
Restricted cash, current	—	—	1,039	
Short-term investments	41,845	33,537	21,999	
Accounts receivable, net of allowances of $117, $861 and $961	13,085	23,009	26,515	
Deferred commissions	6,093	10,144	11,220	
Prepaid expenses and other current assets	3,316	4,570	6,075	
Total current assets	82,536	125,668	86,982	
Property and equipment, net	1,492	5,249	8,985	
Deferred commissions, noncurrent	4,792	7,798	8,003	
Restricted cash	3,461	3,673	4,395	
Intangible assets, net	2,093	4,053	7,235	
Goodwill	2,630	2,630	2,630	
Other assets	46	692	2,547	
Total assets	$ 97,050	$ 149,763	$ 120,777	
Liabilities, redeemable convertible preferred stock and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 4,228	$ 5,874	$ 10,020	
Accrued expenses and other current liabilities	3,240	5,557	4,565	$ 4,283
Accrued compensation	4,521	7,891	6,623	
Deferred revenue	38,497	67,818	93,103	
Total current liabilities	50,486	87,140	114,311	
Deferred revenue, noncurrent	8,912	11,707	6,715	
Other liabilities	320	4,024	3,603	
Total liabilities	59,718	102,871	124,629	
Commitments and contingencies (Note 9)				
Redeemable convertible preferred stock, $0.0001 par value; 53,576, 59,495 and 59,495 shares authorized as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), respectively; 53,224, 59,465, 59,465 and no shares issued and outstanding as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), actual and pro forma (unaudited), respectively; liquidation preference of $155,373, $230,373 and $230,373 as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), respectively	154,530	227,954	227,954	—
Stockholders' deficit:				
Common stock, $0.0001 par value; 97,500, 107,790 and 120,000 shares authorized as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), respectively; 18,042, 19,325, 19,984 and 79,450 shares issued and outstanding as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), actual and pro forma (unaudited), respectively	2	2	2	8
Additional paid-in capital	10,908	23,393	38,064	266,294
Accumulated other comprehensive loss	(10)	(57)	(187)	(187)
Accumulated deficit	(128,098)	(204,400)	(269,685)	(269,685)
Total stockholders' deficit	(117,198)	(181,062)	(231,806)	$ (3,570)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 97,050	$ 149,763	$ 120,777	

See notes to consolidated financial statements.

OKTA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Revenue				
Subscription	$ 38,138	$ 76,443	$ 52,802	$ 99,125
Professional services and other	2,872	9,464	5,967	12,381
Total revenue	41,010	85,907	58,769	111,506
Cost of revenue				
Subscription	9,818	20,684	14,735	24,523
Professional services and other	8,912	15,340	11,015	15,739
Total cost of revenue	18,730	36,024	25,750	40,262
Gross profit	22,280	49,883	33,019	71,244
Operating expenses:				
Research and development	18,370	28,761	19,879	28,127
Sales and marketing	49,096	77,915	53,693	87,264
General and administrative	13,596	19,195	14,150	21,009
Total operating expenses	81,062	125,871	87,722	136,400
Operating loss	(58,782)	(75,988)	(54,703)	(65,156)
Other income (expense), net	(199)	(19)	(14)	138
Loss before income taxes	(58,981)	(76,007)	(54,717)	(65,018)
Provision for income taxes	130	295	157	267
Net loss	$(59,111)	$ (76,302)	$ (54,874)	$ (65,285)
Net loss per share:				
Basic and diluted	$ (3.67)	$ (4.28)	$ (3.11)	$ (3.46)
Weighted-average shares outstanding used in calculating net loss per share:				
Basic and diluted	16,097	17,817	17,638	18,850
Pro forma net loss per share:				
Basic and diluted (unaudited)		$ (0.99)		$ (0.83)
Pro forma weighted-average shares outstanding used in calculating pro forma net loss per share:				
Basic and diluted (unaudited)		77,282		78,315

See notes to consolidated financial statements.

OKTA, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Net loss	$(59,111)	$(76,302)	$ (54,874)	$ (65,285)
Net change in unrealized gain (loss) on investments*	(4)	(5)	22	14
Foreign currency translation adjustments*	(7)	(42)	(99)	(144)
Other comprehensive loss	(11)	(47)	(77)	(130)
Comprehensive loss	$(59,122)	$(76,349)	$ (54,951)	$ (65,415)

* Tax effect was not material

See notes to consolidated financial statements.

OKTA, INC.

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(dollars in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of January 31, 2014	43,739,269	$ 80,030	15,681,041	$ 2	$ 2,330	$ 1	$ (68,987)	$ (66,654)
Issuance of Series E redeemable convertible preferred stock, net of issuance costs of $500	9,484,234	74,500	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	2,436,221	—	693	—	—	693
Repurchases of unvested common stock	—	—	(115,112)	—	—	—	—	—
Issuance of common stock pursuant to charitable donation	—	—	40,238	—	158	—	—	158
Issuance of common stock warrant pursuant to financing arrangement	—	—	—	—	331	—	—	331
Vesting of early exercised stock options	—	—	—	—	673	—	—	673
Share-based compensation	—	—	—	—	6,699	—	—	6,699
Excess tax benefits from share-based compensation	—	—	—	—	24	—	—	24
Other comprehensive loss	—	—	—	—	—	(11)	—	(11)
Net loss	—	—	—	—	—	—	(59,111)	(59,111)
Balances as of January 31, 2015	53,223,503	154,530	18,042,388	2	10,908	(10)	(128,098)	(117,198)
Issuance of Series F redeemable convertible preferred stock, net of issuance costs of $1,576	6,241,936	73,424	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	1,291,099	—	1,194	—	—	1,194
Repurchases of unvested common stock	—	—	(25,846)	—	—	—	—	—
Issuance of common stock pursuant to charitable donation	—	—	17,433	—	132	—	—	132
Vesting of early exercised stock options	—	—	—	—	1,014	—	—	1,014
Share-based compensation	—	—	—	—	10,076	—	—	10,076
Excess tax benefits from share-based compensation	—	—	—	—	69	—	—	69
Other comprehensive loss	—	—	—	—	—	(47)	—	(47)
Net loss	—	—	—	—	—	—	(76,302)	(76,302)
Balances as of January 31, 2016	59,465,439	227,954	19,325,074	2	23,393	(57)	(204,400)	(181,062)
Issuance of common stock upon exercise of stock options (unaudited)	—	—	669,947	—	1,309	—	—	1,309
Repurchases of unvested common stock (unaudited)	—	—	(24,737)	—	—	—	—	—
Issuance of common stock pursuant to charitable donation (unaudited)	—	—	13,935	—	129	—	—	129
Vesting of early exercised stock options (unaudited)	—	—	—	—	997	—	—	997
Share-based compensation (unaudited)	—	—	—	—	12,236	—	—	12,236
Excess tax benefits from share-based compensation (unaudited)	—	—	—	—	—	—	—	—
Other comprehensive loss (unaudited)	—	—	—	—	—	(130)	—	(130)
Net loss (unaudited)	—	—	—	—	—	—	(65,285)	(65,285)
Balances as of October 31, 2016 (unaudited)	59,465,439	$ 227,954	19,984,219	$ 2	$ 38,064	$ (187)	$ (269,685)	$ (231,806)

OKTA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Operating activities:				
Net loss	$ (59,111)	$ (76,302)	$ (54,874)	$ (65,285)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation, amortization and accretion	1,923	2,889	1,917	3,177
Share-based compensation	6,580	9,832	7,146	11,869
Amortization of deferred commissions	2,792	8,438	5,917	9,926
Excess tax benefits from share-based compensation	(24)	(69)	—	—
Other	344	1,003	484	302
Changes in operating assets and liabilities:				
Accounts receivable	(7,228)	(10,668)	(5,603)	(3,606)
Deferred commissions	(8,383)	(15,952)	(8,533)	(11,207)
Prepaid expenses and other current assets	(1,984)	(841)	(4,319)	(1,517)
Other assets	66	(215)	(214)	(795)
Accounts payable	2,781	962	(56)	3,316
Accrued compensation	1,553	3,340	500	(1,268)
Accrued expenses and other liabilities	856	3,929	2,910	(604)
Deferred revenue	27,086	32,118	22,150	20,293
Net cash used in operating activities	(32,749)	(41,536)	(32,575)	(35,399)
Investing activities:				
Purchases of property and equipment	(1,182)	(4,093)	(2,408)	(4,647)
Purchases of investments	(44,526)	(46,360)	(46,361)	—
Proceeds from sales of investments	2,100	12,645	3,002	6,207
Proceeds from maturities of investments	—	41,576	41,576	5,000
Payments for business acquisitions	(3,200)	—	—	—
Capitalized internal-use software costs	(1,763)	(2,608)	(1,985)	(3,992)
Net cash provided by (used in) investing activities	(48,571)	1,160	(6,176)	2,568
Financing activities:				
Proceeds from exercise of stock options, net of repurchases	2,789	3,561	2,708	1,665
Proceeds from issuance of convertible redeemable preferred stock, net of issuance costs	74,500	73,424	73,427	—
Principal payments on financing arrangement	—	(213)	(142)	(213)
Payments of deferred offering costs	—	—	—	(990)
Excess tax benefits from share-based compensation	24	69	—	—
Net cash provided by financing activities	77,313	76,841	75,993	462
Effects of changes in foreign currency exchange rates on cash	(7)	(42)	(99)	(144)
Net increase (decrease) in cash and cash equivalents and restricted cash	(4,014)	36,423	37,143	(32,513)
Cash and cash equivalents and restricted cash at beginning of year	25,672	21,658	21,658	58,081
Cash and cash equivalents and restricted cash at end of year	$ 21,658	$ 58,081	$ 58,801	$ 25,568
Supplementary cash flow disclosure:				
Noncash investing and financing activities:				
Vesting of common stock subject to repurchase	$ 673	$ 1,014	$ 739	$ 997
Warrant for common stock issued in connection with loan facility	331	—	—	—
Common stock issued as charitable contribution	158	132	132	129
Assets acquired under financing arrangement	—	853	853	—
Deferred offering costs, accrued but not yet paid	—	368	—	438
Reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets to the amounts shown in the statements of cash flows above:				
Cash and cash equivalents	$ 18,197	$ 54,408	$ 55,128	$ 20,134
Restricted cash, current	—	—	—	1,039
Restricted cash, noncurrent	3,461	3,673	3,673	4,395
Total cash, cash equivalents and restricted cash	$ 21,658	$ 58,081	$ 58,801	$ 25,568

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Overview and Basis of Presentation

Description of Business

Okta, Inc. (the Company) pioneered identity in the cloud. The Okta Identity Cloud enables customers to secure their users and connect them to technology, anywhere, anytime and from any device. The Company was originally incorporated in January 2009 under the corporate name SaaSure Inc. in California and, in April 2010, the Company reincorporated in Delaware as Okta, Inc. The Company is headquartered in San Francisco, California.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in consolidation.

The Company's fiscal year ends on January 31. References to fiscal 2016, for example, refer to the fiscal year ended January 31, 2016.

3-for-2 Stock Split

On February 26, 2015, the Board of Directors approved a 3-for-2 stock split of the Company's authorized and issued and outstanding capital stock on record as of March 25, 2015. All share and per share information has been adjusted to reflect the stock split on a retrospective basis for all periods presented.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of October 31, 2016, the related interim consolidated statements of operations, comprehensive loss and cash flows for the nine months ended October 31, 2015 and 2016, the consolidated statement of redeemable convertible preferred stock and stockholders' deficit for the nine months ended October 31, 2016 and the related footnote disclosures, are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP applicable to interim financial statements. The interim financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of October 31, 2016 and the Company's consolidated results of operations and cash flows for the nine months ended October 31, 2015 and 2016. The results for the nine months ended October 31, 2016 are not necessarily indicative of the results expected for the full fiscal year.

Unaudited Pro Forma Balance Sheet and Net Loss Per Share

Upon the completion of the initial public offering (IPO) contemplated by the Company, all of the outstanding shares of its redeemable convertible preferred stock will automatically convert into 59,465,439 shares of common stock, based on the shares of the redeemable convertible preferred stock outstanding as of October 31, 2016. In addition, the Company's warrant for preferred stock will

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Overview and Basis of Presentation (Continued)

be converted into a warrant for common stock and its related redeemable convertible preferred stock warrant liability will be reclassified to additional paid-in capital. The unaudited pro forma balance sheet as of October 31, 2016 has been computed to give effect to the automatic conversion of the redeemable convertible preferred stock into common stock and the reclassification of the Company's liability for its outstanding warrant for redeemable convertible preferred stock as though the conversion and reclassification had occurred as of October 31, 2016. The shares of common stock issuable and the proceeds expected to be received in an IPO are excluded from such pro forma information.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The Company bases its estimates on historical experience and on other assumptions that its management believes are reasonable under the circumstances. Actual results could differ from those estimates. The Company's most significant estimates and judgments involve revenue recognition with respect to the determination of the relative selling prices for the Company's services, valuation of the Company's share-based compensation, including the underlying deemed fair value of common stock, valuation of deferred income tax assets and uncertain tax positions and contingencies and litigation. Actual results could vary from those estimates.

Foreign Currency

The functional currencies of the Company's foreign subsidiaries are the respective local currencies. Translation adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive loss within the consolidated statements of redeemable convertible preferred stock and stockholders' deficit. Foreign currency transaction gains and losses are included in other expense, net in the consolidated statements of operations and were not material for the years ended January 31, 2015 or 2016, or the nine months ended October 31, 2015 or 2016 (unaudited). All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated at the average exchange rate during the period, and equity balances are translated using historical exchange rates.

2. Summary of Significant Accounting Policies

Segment Information

The Company operates as one operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources.

Revenue Recognition

The Company derives revenue from subscription fees (which include support fees) and professional services fees. The Company sells subscriptions to its platform through arrangements that are generally one to three years in length. The Company's arrangements are generally noncancelable

2. Summary of Significant Accounting Policies (Continued)

and nonrefundable. Furthermore, if a customer reduces the contracted usage or service level, the customer has no right of refund. The Company's subscription arrangements do not provide customers with the right to take possession of the software supporting the platform and, as a result, are accounted for as service arrangements. This revenue recognition policy is consistent for sales generated directly with customers and sales generated indirectly through channel partners.

The Company commences revenue recognition when all of the following criteria are met:

- There is persuasive evidence of an arrangement;
- Delivery has occurred;
- The amount of fees to be paid by the customer is fixed or determinable; and
- Collection of the fees is reasonably assured.

Subscription Revenue

Subscription revenue, which includes support, is recognized on a straight-line basis over the noncancelable contractual term of the arrangement, generally beginning on the date that the Company's service is made available to the customer, providing all other revenue recognition criteria have been met.

Professional Services Revenue

The Company's professional services principally consist of customer specific requests for application integrations, user interface enhancements and other customer specific requests.

Revenue for the Company's professional services billed on a fixed fee basis are generally recognized when the professional services are completed and professional services arrangements billed on a time and materials basis are recognized as services are performed.

Multiple Element Arrangements

For arrangements with multiple deliverables, the Company evaluates whether the individual deliverables qualify as separate units of accounting. In order to treat deliverables in a multiple deliverable arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery and, in situations in which a general right of return exists for the delivered item, delivery or performance of the undelivered item is considered probable and substantially within the control of the Company. The Company's professional services have stand-alone value because the Company has routinely sold these professional services separately. The Company's subscription services have stand-alone value as the Company routinely sells the subscriptions separately. Customers have no general right of return for delivered items. If the deliverables have stand-alone value upon delivery, the Company accounts for each deliverable separately and revenue is recognized for the respective deliverables as they are delivered based on the relative selling price, which the Company determines by using the best estimated selling price (BESP), as neither vendor-specific objective evidence (VSOE) nor third-party evidence is available.

The Company has determined its BESP for its deliverables based on customer size, size and volume of the Company's transactions, overarching pricing objectives and strategies, market and industry conditions, product-specific factors and historical sales of the deliverables.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenue consists of customer billings in advance of revenue being recognized from the Company's subscription and support services and professional services arrangements. The Company primarily invoices its customers for its subscription services arrangements annually in advance. The Company's payment terms generally provide that customers pay the invoiced portion of the total arrangement fee within 30 days of the invoice date. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred revenue, current; the remaining portion is recorded as deferred revenue, noncurrent in the consolidated balance sheets.

Deferred Commissions

Deferred commissions represent direct and incremental compensation costs incurred in connection with the acquisition of customer contracts. Deferred commissions are initially deferred when earned and amortized over the same period that revenue is recognized for the related noncancelable portion of the subscription arrangement. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred commissions, current; the remaining portion is recorded as deferred commissions, noncurrent in the consolidated balance sheets. Commissions are generally paid within three months of when the subscription arrangement is signed with the customer. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statements of operations.

Cost of Revenue

Costs of revenue primarily consist of costs related to providing the Company's cloud-based platform to its customers, including third-party hosting fees, amortization of capitalized internal-use software and finite-lived purchased developed technology, customer support, other employee-related expenses for security, technical operations and professional services staff and allocated overhead costs.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less from the date of purchase. Cash equivalents generally consist of investments in money market funds. The fair market value of cash equivalents approximated their carrying value as of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited).

Short-term Investments

The Company's short-term investments comprise publicly-traded debt securities, U.S. government treasury securities, commercial paper and asset-backed securities. The Company determines the appropriate classification of its short-term investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company has classified and accounted for its short-term investments as available-for-sale securities as the Company may sell these securities at any time for use in its current operations or for other purposes, even prior to maturity. As a result, the Company classifies its short-term investments, including securities with stated maturities beyond twelve months, within current assets in the consolidated balance sheets.

Available-for-sale securities are recorded at fair value each reporting period. Unrealized gains and losses on these short-term investments are reported as a separate component of accumulated

2. Summary of Significant Accounting Policies (Continued)

other comprehensive loss on the consolidated balance sheets until realized. Interest income is reported within other expense, net on the Consolidated Statements of Operations. The Company periodically evaluates its short-term investments to assess whether those with unrealized loss positions are other than temporarily impaired. The Company considers various factors in determining whether to recognize an impairment charge, including the length of time the investment has been in a loss position, the extent to which the fair value is less than the Company's cost basis, the investment's financial condition and near-term prospects of the investee. Realized gains and losses are determined based on the specific identification method and are reported in other expense, net in the consolidated statements of operations. If the Company determines that the decline in an investment's fair value is other-than-temporary, the difference is recognized as an impairment loss in the consolidated statements of operations.

Accounts Receivable and Allowances

Accounts receivable are recorded at the invoiced amount, net of allowances. These allowances are based on the Company's assessment of the collectability of accounts by considering the age of each outstanding invoice and the collection history of each customer and an evaluation of potential risk of loss associated with delinquent accounts. Amounts deemed uncollectible are recorded to these allowances in the consolidated statements of balance sheets with an offsetting decrease in related deferred revenue or a charge in the consolidated statement of operations.

For the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016 (unaudited), write-offs were not significant.

Property and Equipment

Property and equipment, net, is stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, generally three to five years. Leasehold improvements are depreciated over the shorter of the useful lives of the assets or the related lease term. Repairs and maintenance costs are expensed as incurred.

Capitalized Internal-Use Software Costs

The Company capitalizes certain costs incurred during the application development stage in connection with software development for its platform. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Capitalized costs are recorded as part of intangible assets. Maintenance and training costs are expensed as incurred.

Capitalized internal-use software costs are amortized on a straight-line basis over the software's estimated useful life, which is generally between three to five years. The Company records amortization related to capitalized internal-use software within subscription cost of revenue in the consolidated statements of operations. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Business Combinations

When the Company acquires a business, the purchase price is allocated to the net tangible and identifiable intangible assets acquired. Any residual purchase price is recorded as goodwill. The allocation of the purchase price requires management to make significant estimates in determining the

2. Summary of Significant Accounting Policies (Continued)

fair values of assets acquired and liabilities assumed, especially with respect to intangible assets. These estimates can include, but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate weighted-average cost of capital and the cost savings expected to be derived from acquiring an asset. These estimates are inherently uncertain and unpredictable. During the measurement period, which may be up to one year from the acquisition date, adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of operations.

Goodwill and Other Long-Lived Assets

The excess of the purchase price over the estimated fair value of net assets of businesses acquired in a business combination is recognized as goodwill. Goodwill is tested for impairment annually on November 1st or more frequently if certain indicators are present.

Long-lived assets, such as property and equipment and finite-lived intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. An impairment charge is recognized as the amount by which the carrying amount exceeds its fair value.

The Company amortizes intangible assets with finite lives on a straight-line basis over their estimated useful lives in cost of revenue in the consolidated statements of operations.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expense was $0.6 million, $3.7 million, $2.8 million (unaudited) and $2.9 million (unaudited) for the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016, respectively.

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal and other fees related to the Company's proposed initial public offering. The deferred offering costs will be offset against initial public offering proceeds upon the consummation of the IPO. In the event the offering is aborted, deferred offering costs will be expensed. As of January 31, 2016 and October 31, 2016, there were $0.4 million and $1.5 million (unaudited) in deferred offering costs in other assets, noncurrent in the consolidated balance sheets. There were no deferred offering costs incurred as of January 31, 2015.

Share-Based Compensation

Share-based compensation issued to employees is measured based on the grant-date fair value of the awards and recognized in the consolidated statements of operations on a straight-line basis, net of estimated forfeitures, over the period during which the employee is required to perform services in exchange for the award, generally, the vesting period of the award. The Company estimates the fair value of stock options granted using the Black-Scholes option valuation model.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

The Company accounts for equity awards issued to non-employees based on the fair value of the award, determined using the Black-Scholes option valuation model. The unvested options issued to non-employees are re-measured to fair value at the end of each reporting period.

Income Taxes

The Company accounts for income taxes in accordance with the liability method of accounting for income taxes. Under this method, the Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled.

The Company records a valuation allowance to reduce its deferred tax assets to the net amount that the Company believes is more likely than not to be realized. In assessing the need for a valuation allowance, the Company has considered its historical levels of income, expectations of future taxable income and ongoing tax planning strategies. Because of the uncertainty of the realization of the deferred tax assets, the Company has recorded a full valuation allowance against its deferred tax assets. Realization of its deferred tax assets is dependent primarily upon future U.S. taxable income.

The Company recognizes and measures tax benefits from uncertain tax positions using a two-step approach.

The first step is to evaluate the tax position taken or expected to be taken by determining if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. Significant judgment is required to evaluate uncertain tax positions.

Although the Company believes that it has adequately reserved for its uncertain tax positions, it can provide no assurance that the final tax outcome of these matters will not be materially different. The Company evaluates its uncertain tax position on a regular basis and evaluations are based on a number of factors, including changes in facts and circumstances, changes in tax law, correspondence with tax authorities during the course of an audit and effective settlement of audit issues.

To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on the Company's financial condition and results of operations. The provision for income taxes includes the effects of any accruals that the Company believes are appropriate, as well as the related net interest and penalties.

Warranties and Indemnification

The Company's subscription services are generally warranted to perform materially in accordance with the Company's online help documentation under normal use and circumstances. Additionally, the Company's arrangements generally include provisions for indemnifying customers against liabilities if its subscription services infringe a third party's intellectual property rights. Furthermore, the Company may also incur liabilities if it breaches the security or confidentiality obligations in its arrangements. To date, the Company has not incurred significant costs and has not accrued a liability in the accompanying consolidated financial statements as a result of these obligations.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

The Company has entered into service-level agreements with a majority of its customers defining levels of uptime reliability and performance and permitting those customers to receive credits for prepaid amounts related to unused subscription services if the Company fails to meet the defined levels of uptime. In very limited instances, the Company allows customers to early terminate their agreements in the event that the Company fails to meet those levels as they may constitute a breach of contract. If the customer did terminate, they would receive a refund of prepaid unused subscription fees. To date, the Company has not experienced any significant failures to meet defined levels of uptime reliability and performance as a result of those agreements and, as a result, the Company has not accrued any liabilities related to these agreements in the consolidated financial statements.

Concentrations of Risk and Significant Customers

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. Cash and cash equivalents and short-term investments are currently held in one financial institution and, at times, may exceed federally insured limits.

As of January 31, 2015 and January 31, 2016, one customer represented 15% and 12%, respectively, of accounts receivable. As of October 31, 2016 (unaudited), there were no customer balances that represented greater than 10% of accounts receivable.

For the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016 (unaudited), no single customer represented greater than 10% of revenue.

In order to reduce the risk of downtime of the Company's subscription services, the Company utilizes data center facilities operated by third parties located in Virginia, Oregon, Germany and Ireland. The Company has internal procedures to restore services in the event of disaster at any of its current data center facilities. Even with these procedures for disaster recovery in place, the Company's subscription services could be significantly interrupted during a disaster at one of its sites and subsequent restoration of services at another site.

Geographical Information

Revenue by location is determined by the billing address of the customer. The following table sets forth revenue by geographic area (in thousands):

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
United States	$37,225	$75,583	$ 52,903	$ 95,918
International	3,785	10,324	5,866	15,588
Total	$41,010	$85,907	$ 58,769	$ 111,506

Other than the United States, no other individual country exceeded 10% of total revenue for the years ended January 31, 2015 and 2016 and for the nine months ended October 31, 2015 and 2016 (unaudited). Property and equipment by geographic location is based on the location of the legal entity that owns the asset. As of January 31, 2015, January 31, 2016 and October 31, 2016 (unaudited), substantially all of the Company's property and equipment was located in the United States.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Net Loss per Share

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Options subject to early exercise that are exercised prior to vesting are excluded from the computation of weighted-average number of shares of common stock outstanding until such shares have vested. Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period increased by giving effect to all potentially dilutive securities to the extent they are dilutive. The dilutive effect of potentially dilutive securities is reflected in diluted net loss per share by application of the treasury stock method.

New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) and has modified the standard thereafter. These standards replace existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements. ASU 2014-09, as amended, becomes effective for the Company on February 1, 2018. The standard permits the use of either the retrospective or modified retrospective transition method. Under the retrospective transition method, the standard applies to contracts in all reporting periods presented. Under the modified retrospective transition method, the standard applies only to contracts still open as of February 1, 2018, recognizing in beginning retained earnings an adjustment for the cumulative effect of the change and providing additional disclosures comparing results to previous rules. The Company continues to evaluate the available adoption methods.

Upon initial evaluation, the Company believes the key changes in the standard that may impact its accounting for revenue recognition include contract modifications and principal vs. agent considerations. In addition, the requirement to defer incremental contract acquisition costs and recognize them over the contract period or expected customer life will affect the Company's accounting for commissions and the determination of related customer life for amortization purposes. The Company is still in the process of evaluating these impacts. The Company cannot currently estimate the quantitative impact of this change upon adoption and will continue to evaluate and analyze all other aspects of Topic 606 that may impact it.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* (ASU 2015-17), which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The standard is effective for fiscal years beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for any interim and annual financial statements that have not yet been issued and may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company early adopted ASU 2015-17 retrospectively. Adoption resulted in a $0.7 million decrease in both noncurrent deferred tax assets and current deferred tax liabilities in the Company's consolidated balance sheets at January 31, 2015. Adoption had no impact on the Company's results of operations.

In April 2015, the FASB issued ASU No. 2015-05 (Subtopic 350-40)—*Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (ASU 2015-05), which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing

2. Summary of Significant Accounting Policies (Continued)

arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. ASU 2015-05 is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2015. The Company adopted ASU 2015-05 effective February 1, 2016 and the adoption had no impact on the Company's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01 (Subtopic 825-10), *Financial Instruments —Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01), which primarily affects the accounting for equity investments, financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities and financial liabilities is largely unchanged. ASU 2016-01 is effective for fiscal years, beginning after December 15, 2018 and interim periods in fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact of the adoption on its consolidated financial statements, if any.

In February 2016, the FASB issued ASU No. 2016-02 (Topic 842)—*Leases* (ASU 2016-02), which supersedes the guidance in topic ASC 840, Leases. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09 (Topic 718), *Compensation-Stock Compensation* (ASU 2016-09), which aligns with the FASB's current simplification initiatives. The major areas for simplification in ASU 2016-09 involve several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. Specifically, ASU 2016-09 has introduced updates to minimum statutory tax withholding requirements, policy elections surrounding forfeitures, expected term, intrinsic values and changes to the classification of certain share-based payment related transactions on the statement of cash flows. The amendments are effective for annual periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. An entity that elects early adoption must adopt all of the aforementioned amendments in the same period and follow the specific transition methods as outlined in the ASU 2016-09. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18 (Topic 230)—*Statement of Cash Flows, Restricted Cash* (ASU 2016-18), which amends the guidance in ASC 230 Statement of Cash Flows and requires that entities show the changes in total of cash, cash equivalents, restricted cash and

2. Summary of Significant Accounting Policies (Continued)

restricted cash equivalents in their statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASC 2016-18 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and is applied retrospectively when adopted. Early adoption is permitted. The Company elected to early adopt ASU 2016-18 effective February 1, 2016. The Company early adopted this guidance as it believes including restricted cash with its cash and cash equivalents on its consolidated statements of cash flows provides better insight to the Company's uses of cash. As a result of adopting this guidance, the Company no longer includes the changes in its restricted cash in net cash used in operating activities.

3. Acquisition

On February 7, 2014, the Company purchased certain finite-lived intangible assets, consisting of developed technology of SpydrSafe Mobile Security, Inc. (SpydrSafe) for $3.2 million in cash. The Company accounted for this transaction as a business combination. The aggregate assets acquired of $3.2 million consisted of $0.6 million of developed technology and $2.6 million of goodwill. The results of SpydrSafe's operations have been included in the consolidated financial statements since the date of the acquisition. The acquisition of the developed technology accelerated the Company's ability to enter the mobile device management and mobile security business.

The goodwill balance is primarily attributed to the benefit of using the SpydrSafe developed technology to accelerate the Company's entrance into the mobile space. This goodwill is deductible for U.S. federal and state income tax purposes. The purchased developed technology represents the estimated fair value of the purchased existing technology, based upon the cost approach, which was primarily derived from the payroll and related costs of engineers required to recreate the technology and is being amortized over its useful life of three years.

Under the terms of the acquisition, additional cash consideration of $0.8 million was granted to certain former employees in contemplation of future services. The additional consideration was placed in an escrow account to be disbursed to the former employees upon the 6- and 12-month anniversaries of the acquisition, contingent upon continued employment with the Company. The corresponding expense was recognized straight-line over the service period in research and development in the consolidated statements of operations.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Cash Equivalents, Short-term Investments and Restricted Cash

The amortized costs, unrealized gains and losses and estimated fair values of the Company's cash equivalents and short-term investments as of January 31, 2015, January 31, 2016 and October 31, 2016 were as follows (in thousands):

	As of January 31, 2015			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 15,452	$ —	$ —	$ 15,452
Investments:				
Commercial paper	4,299	—	—	4,299
Corporate debt securities	37,550	—	(4)	37,546
Total short-term investments	$ 41,849	$ —	$ (4)	$ 41,845
Total	$ 57,301	$ —	$ (4)	$ 57,297

	As of January 31, 2016			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 49,043	$ —	$ —	$ 49,043
Investments:				
Asset-based securities	5,550	—	(4)	5,546
Commercial paper	4,994	—	—	4,994
U.S. treasury securities	2,208	—	(3)	2,205
Corporate debt securities	20,790	13	(11)	20,792
Total short-term investments	$ 33,542	$ 13	$ (18)	$ 33,537
Total	$ 82,585	$ 13	$ (18)	$ 82,580

	As of October 31, 2016			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
	(unaudited)			
Cash equivalents:				
Money market funds	$ 11,865	$ —	$ —	$ 11,865
Investments:				
Asset-based securities	1,540	—	—	1,540
Corporate debt securities	20,445	16	(2)	20,459
Total short-term investments	$ 21,985	$ 16	$ (2)	$ 21,999
Total	$ 33,850	$ 16	$ (2)	$ 33,864

All short-term investments are designated as available-for-sale securities as of January 31, 2015, January 31, 2016 and October 31, 2016.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Cash Equivalents, Short-term Investments and Restricted Cash (Continued)

As of January 31, 2015, all of the Company's short-term investments had contractual maturities due in less than one year. The following tables present the contractual maturities of the Company's short-term investments as of January 31, 2016 and October 31, 2016 (in thousands):

	As of January 31, 2016	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 12,752	$ 12,745
Due between one to five years	20,790	20,792
	$ 33,542	$ 33,537

	As of October 31, 2016	
	Amortized Cost	Estimated Fair Value
	(unaudited)	
Due within one year	$ 20,445	$ 20,459
Due between one to five years	1,540	1,540
	$ 21,985	$ 21,999

The Company had eleven, nine and two short-term investments in unrealized loss positions as of January 31, 2015, January 31, 2016 and October 31, 2016, respectively. There were no material gross unrealized gains or losses from available-for-sale securities and no material realized gains or losses from available-for-sale securities that were reclassified out of accumulated other comprehensive income for the years ended January 31, 2015 or 2016, or for the nine months ended October 31, 2016 (unaudited).

For available-for-sale debt securities that have unrealized losses, the Company evaluates whether (i) it has the intention to sell any of these investments and (ii) whether it is not more likely than not that it will be required to sell any of these available-for-sale debt securities before recovery of the entire amortized cost basis. Based on this evaluation, the Company determined that there were no other-than-temporary impairments associated with short-term investments as of January 31, 2015, January 31, 2016, or October 31, 2016 (unaudited).

Restricted Cash

Restricted cash consists of cash collateral associated with letters of credit established in connection with facility lease agreements. Restricted cash is presented on the accompanying consolidated balance sheet as current and noncurrent based on the terms of the underlying agreements.

5. Fair Value Measurements

The Company measures its financial assets at fair value each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Fair Value Measurements (Continued)

Three levels of inputs maybe used to measure as follows:

Level 1—Valuations based on observable inputs that reflect quoted prices for identical assets or liabilities in active markets.

Level 2—Valuations based on inputs that are directly or indirectly observable in the marketplace.

Level 3—Valuations based on unobservable inputs that are supported by little or no market activity.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Fair Value Measurements (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's financial assets that are measured at fair value on a recurring basis using the above input categories (in thousands):

	Fair Value Measurement at January 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$15,452	$ —	$ —	$15,452
Short-term investments:				
Commercial paper	—	4,299	—	4,299
Corporate debt securities	—	37,546	—	37,546
Total short-term investments	$ —	$41,845	$ —	$41,845
Total cash equivalents and investments	$15,452	$41,845	$ —	$57,297
Liabilities:				
Series B redeemable convertible preferred stock warrant	$ —	$ —	$ 110	$ 110

	Fair Value Measurement at January 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$49,043	$ —	$ —	$49,043
Short-term investments:				
Asset-backed securities	—	5,546	—	5,546
Commercial paper	—	4,994	—	4,994
U.S. treasury securities	—	2,205	—	2,205
Corporate debt securities	—	20,792	—	20,792
Total short-term investments	$ —	$33,537	$ —	$33,537
Total cash equivalents and short-term investments	$49,043	$33,537	$ —	$82,580
Liabilities:				
Series B redeemable convertible preferred stock warrant	$ —	$ —	$ 237	$ 237

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Fair Value Measurements (Continued)

	Fair Value Measurement at October 31, 2016			
	Level 1	Level 2	Level 3	Total
		(unaudited)		
Assets:				
Cash equivalents:				
Money market funds	$11,865	$ —	$ —	$11,865
Short-term investments:				
Asset-backed securities	—	1,540	—	1,540
Corporate debt securities	—	20,459	—	20,459
Total short-term investments	$ —	$21,999	$ —	$21,999
Total cash equivalents and short-term investments	$11,865	$21,999	$ —	$33,864
Liabilities:				
Series B redeemable convertible preferred stock warrant	$ —	$ —	$ 282	$ 282

Level 3 instruments consist solely of the Company's Series B redeemable convertible preferred stock warrant liability (see Note 10). The Series B redeemable convertible preferred stock warrant liability was estimated using assumptions related to the remaining contractual term of the warrant, the risk-free interest rate, the volatility of comparable public companies over the remaining term and the fair value of underlying shares. The significant unobservable inputs used in the fair value measurement of the Series B redeemable convertible preferred stock warrant liability are the fair value of the underlying stock at the valuation date and the estimated term of the warrant. Generally, increases (decreases) in the fair value of the underlying stock and estimated term would result in a directionally similar impact to the fair value measurement, as recognized in other income (expense), net on the consolidated statements of operations.

The change in the fair value of the Series B redeemable convertible preferred stock warrant was as follows (in thousands):

Balance at January 31, 2015	$110
Increase in fair value of warrant	127
Balance at January 31, 2016	237
Increase in fair value of warrant (unaudited)	45
Balance at October 31, 2016 (unaudited)	$282

During the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2016 (unaudited), the Company had no transfers between levels of the fair value hierarchy of its assets measured at fair value.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The carrying amounts of certain financial instruments, including cash held in banks, accounts receivable, accounts payable and the financing arrangement (see Note 8) approximate fair value due to their short-term maturities and are excluded from the fair value table above.

6. Goodwill and Intangible Assets, Net

Goodwill

On February 7, 2014, the Company acquired assets of SpydrSafe in a business combination, which resulted in $2.6 million of goodwill (see Note 3). Prior to this acquisition, the Company did not have a goodwill balance. There was no additional goodwill acquired during the year ended January 31, 2016 or the nine months ended October 31, 2016. As of January 31, 2015, January 31, 2016 and October 31, 2016, goodwill was $2.6 million. As of January 31, 2016 and October 31, 2016, no impairment of goodwill has been identified.

Intangible Assets, Net

Intangible assets consisted of the following (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Purchased developed technology, net of accumulated amortization of $186, $376 and $519, respectively	$ 384	$ 194	$ 51
Capitalized internal-use software costs, net of accumulated amortization of $173, $875 and $1,985, respectively	1,709	3,859	7,184
	$2,093	$4,053	$ 7,235

The Company capitalized $1.9 million and $2.9 million in internal-use software during the years ended January 31, 2015 and 2016, respectively, which included $0.1 million and $0.2 million of share-based compensation costs, respectively. The Company capitalized $2.2 million (unaudited) and $4.4 million (unaudited) in internal-use software during the nine months ended October 31, 2015 and 2016, respectively, which included $0.2 million (unaudited) and $0.4 million (unaudited) of share-based compensation costs, respectively. Amortization expense of capitalized internal-use software costs totaled $0.2 million and $0.7 million during the years ended January 31, 2015 and 2016, respectively, and $0.4 million (unaudited) and $1.1 million (unaudited) during the nine months ended October 31, 2015 and 2016, respectively.

The Company's finite-lived purchased developed technology was acquired as part of the SpydrSafe acquisition and is as follows (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Purchased developed technology	$ 570	$ 570	$ 570
Less accumulated amortization	(186)	(376)	(519)
Developed technology, net	$ 384	$ 194	$ 51

For the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016, $0.2 million, $0.2 million, $0.1 million (unaudited) and $0.1 million (unaudited), respectively, of amortization expense related to developed technology was recognized in cost of subscription revenue in the consolidated statements of operations. There were no impairments to the purchased developed technology during the years ended January 31, 2015 or 2016, or the nine months ended October 31, 2016.

6. Goodwill and Intangible Assets, Net (Continued)

As of January 31, 2016, the estimated future amortization expense of finite-lived purchased developed technology is as follows (in thousands):

Years Ending January 31,	Amount
2017	$ 190
2018	4
Total	$ 194

7. Balance Sheet Components

Property and Equipment, net

Property and equipment consisted of the following (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Computer, equipment and software	$ 1,294	$ 3,306	$ 3,951
Furniture and fixtures	967	2,639	3,986
Leasehold improvements	292	1,445	4,764
Property and equipment, gross	2,553	7,390	12,701
Less accumulated depreciation and amortization	(1,061)	(2,141)	(3,716)
Property and equipment, net	$ 1,492	$ 5,249	$ 8,985

Depreciation expense was $0.6 million, $1.1 million, $0.8 million (unaudited) and $1.7 million (unaudited) for the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016, respectively. Depreciation expense during the year ended January 31, 2016 and the nine months ended October 31, 2015 and 2016 (unaudited) includes amortization expense of $0.1 million in each period associated with software acquired in a financing arrangement (see Note 8).

Allowances

The Company's allowances for the years ended January 31, 2015, 2016 and the nine months ended October 31, 2016 are as follows (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Balance, beginning of period	$ —	$ 117	$ 861
Additions	117	979	584
Write-offs	—	(235)	(484)
Balance, end of period	$117	$ 861	$ 961

7. Balance Sheet Components (Continued)

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Deposit related to early exercise of unvested options	$1,753	$3,038	$ 2,397
Accrued expenses	1,129	1,532	1,031
Redeemable convertible preferred stock warrant liability	110	237	282
Financing Arrangement (see Note 8)	—	213	213
Other	248	537	642
Accrued expenses and other current liabilities	$3,240	$5,557	$ 4,565

Other Liabilities, Noncurrent

Other liabilities, noncurrent consisted of the following (in thousands):

	January 31,		October 31,
	2015	2016	2016
			(unaudited)
Deferred rent, noncurrent	$ 20	$3,270	$ 3,259
Financing Arrangement (see Note 8)	—	426	213
Deferred tax liabilities	65	131	131
Other	235	197	—
	$320	$4,024	$ 3,603

8. Debt and Financing Arrangements

Loan and Security Agreement

On March 10, 2014, the Company entered into a line of credit and term loan agreement with Silicon Valley Bank (SVB) in the amount of $5.0 million and $10.0 million, respectively. On June 17, 2015, the Company expanded its line of credit from $5.0 million to $20.0 million and extended the term by one year to mature on March 10, 2017. The term loan facility expired during the year ended January 31, 2015 and no amounts were drawn. As of October 31, 2016, no amounts had been drawn under the line of credit and the Company was in compliance with all covenants pursuant to the loan and security agreement.

As part of the initial loan agreement, upon closing, the Company granted SVB a warrant to purchase 187,500 shares of common stock at $1.40 per share, with a potential to acquire up to an additional 112,500 shares of common stock at the same price, which right would be triggered upon future amounts drawn under the loan agreement. No additional amounts were drawn under the credit facility and as such, the conditional warrant to acquire up to an additional 112,500 shares was not issued. The fair value of the common stock warrant at the time of issuance was recorded as debt

8. Debt and Financing Arrangements (Continued)

issuance costs. As of January 31, 2016, under this warrant, 187,500 shares are exercisable at any time prior to expiration in March 2021.

Financing Arrangement

In May 2015, the Company acquired software and related maintenance and support under a financing arrangement (the Financing Arrangement) with a third party with a gross value of $0.9 million at an implicit interest rate of 5.0%. The financed obligation will be fully repaid by April 2018 and as of January 31, 2016 and October 31, 2016, $0.6 million and $0.4 million (unaudited), respectively, was outstanding under this obligation. The Company did not acquire any property and equipment under financing arrangements for the year ended January 31, 2015 and during the nine months ended October 31, 2016.

9. Commitments and Contingencies

Leases

The Company leases office space under noncancelable operating leases for its San Francisco, California headquarters, as well as its offices in the United Kingdom, Australia, Canada, Bellevue, Washington, and a future office in San Jose, California. These office leases expire at various times through August 2026. These leases include a nine-year lease in San Francisco for which the Company is entitled to receive $1.8 million of tenant incentives. As of January 31, 2016 and October 31, 2016, $1.1 million and $1.8 million (unaudited), respectively, in tenant incentives have been received under this lease. Leasehold improvements associated with this lease are being amortized over its lease term.

As of January 31, 2016, the future minimum lease payments by fiscal year under the Financing Arrangement and various operating leases are as follows (in thousands):

	Financing Arrangement	Operating Leases
2017	$ 308	$ 5,525
2018	308	3,873
2019	78	2,702
2020	—	2,783
2021	—	2,867
Thereafter	—	11,256
Total minimum lease payments	$ 694	$ 29,006
Less: amount representing interest	(54)	
Present value of minimum lease payments	$ 640	

In July 2016, the Company entered into a new lease to continue to lease the entirety of the corporate headquarters in San Francisco, California and support growth in personnel. The lease term is 25 months from the commencement in July 2017.

In August 2016, the Company entered into a new lease for office space in London, United Kingdom to support the growth of its international operations. The term of this lease is 10 years with a mutual right to unilaterally terminate by either the Company or landlord in year five.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Commitments and Contingencies (Continued)

In September 2016, the Company entered into a new lease for office space in San Jose, California to continue to support anticipated growth in personnel. The term of the lease is for 84 months.

As of October 31, 2016, the future minimum lease payments by fiscal year under the Financing Arrangement and various operating leases are as follows (in thousands):

	Financing Arrangement	Operating Leases
	(unaudited)	
2017 (remaining)	$ 77	$ 1,827
2018	308	10,009
2019	77	11,813
2020	—	8,412
2021	—	5,220
Thereafter	—	18,581
Total minimum lease payments	$ 462	$ 55,862
Less: amount representing interest	(36)	
Present value of minimum lease payments	$ 426	

Certain facility lease agreements contain rent holidays, allowances and rent escalation provisions. For these leases, the Company recognizes the related rental expense on a straight-line basis over the lease period of the facility and records the difference between amounts charged to operations and amounts paid as deferred rent. These rent holidays, allowances and rent escalations are considered in determining the straight-line expense to be recorded over the lease term. Deferred rent was $3.3 million and $3.4 million (unaudited) as of January 31, 2016 and October 31, 2016, respectively, and is included in accrued expenses and other current liabilities and other liabilities, noncurrent in the consolidated balance sheets. Deferred rent was not significant for the year ended January 31, 2015. Rent expense was $2.4 million and $5.2 million for the years ended January 31, 2015 and 2016, respectively and $3.7 million (unaudited) and $5.5 million (unaudited) for the nine months ended October 31, 2015 and 2016, respectively.

Legal Matters

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. There were no material such matters as of January 31, 2015, January 31, 2016 or October 31, 2016 (unaudited).

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Redeemable Convertible Preferred Stock

The authorized, issued and outstanding shares of redeemable convertible preferred stock (Preferred Stock) and liquidation preferences as of January 31, 2016 and October 31, 2016 (unaudited) were as follows (dollars in thousands):

Series	Authorized Shares	Issued and Outstanding Shares	Liquidation Preference	Carrying Value
Series A	14,210,789	14,210,783	$ 11,373	$ 11,322
Series B	12,015,123	11,986,055	16,500	16,420
Series C	10,708,782	10,708,780	25,000	24,872
Series D	6,833,654	6,833,651	27,500	27,416
Series E	9,484,234	9,484,234	75,000	74,500
Series F	6,242,000	6,241,936	75,000	73,424
	59,494,582	59,465,439	$ 230,373	$ 227,954

The holders of Preferred Stock have various rights and preferences, as follows:

Contingent Redemption

The holders of Preferred Stock have no voluntary rights to redeem shares. A merger or consolidation of the Company into another entity, a liquidation or winding up of the Company, a greater than 50% change in control, or a sale of substantially all of its assets would constitute a redemption event. Although the Preferred Stock is not mandatorily or currently redeemable, a liquidation or winding up of the Company would constitute a redemption event outside its control for accounting purposes. Therefore, all shares of Preferred Stock have been presented outside of permanent equity on the Consolidated Balance Sheets.

Conversion Rights

Each share of Series A Preferred Stock (Series A), Series B Preferred Stock (Series B), Series C Preferred Stock (Series C), Series D Preferred Stock (Series D), Series E Preferred Stock (Series E) and Series F Preferred Stock (Series F) is convertible at the stockholders' option at any time into a number of shares of the Company's common stock, par value of $0.0001 per share determined by dividing the original issue price per share (split adjusted) of $0.8003, $1.3766, $2.3345, $4.0242, $7.9079 and $12.0155, respectively, by the then-current conversion price for such series. The conversion price is currently equal to the original issue price and is subject to adjustment for broad-based anti-dilution, stock split, reclassification and other equivalent adjustments.

Conversion of all outstanding Preferred Stock into common stock is automatic upon the earlier of the completion of a firmly underwritten public offering in which the gross cash proceeds received by the Company before underwriting discounts, commissions and fees are not less than $50.0 million or the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Preferred Stock, voting together as a single class, on an as-if converted basis.

Dividends

Holders of the Series A, B, C, D, E and F Preferred Stock are each entitled to noncumulative dividends of $0.064, $0.11, $0.187, $0.322, $0.633 and $0.961 per share, respectively, if and when

10. Redeemable Convertible Preferred Stock (Continued)

declared by the Board of Directors. Dividends to Series A, B, C, D, E and F Preferred Stockholders are to be paid in advance of any distributions to common stockholders. No dividends have been declared to date.

Voting

Each holder of shares of Preferred Stock is entitled to voting rights equivalent to the number of shares of common stock into which the respective shares are convertible. Certain financing, acquisition, disposition and recapitalization transactions require the vote of the majority of the shares of outstanding preferred stock, provided that at least 20% of the originally issued shares of any series of Preferred Stock voting on an as-converted basis are issued and outstanding.

Liquidation Preference

In the event of a liquidation or winding up of the Company, whether voluntary or involuntary, the holders of Series A, B, C, D, E and F Preferred Stock, prior to preference to any distribution to the holders of common stock, are entitled to be paid a per share liquidation preference of $0.8003, $1.3766, $2.3345, $4.0242, $7.9079 and $12.0155, respectively, together with any declared but unpaid dividends. If assets are insufficient to make payment in full to all holders of Series A, B, C, D, E and F Preferred Stock, then the assets or consideration will be distributed ratably among the Series A, B, C, D, E and F Preferred Stockholders in proportion to their liquidation preference. If assets are sufficient to make payment in full to all holders of Series A, B, C, D, E and F Preferred Stock, then any remaining assets shall be distributed among the holders of the common stock on a pro rata basis based on the number of shares of common stock held. Because the timing of any such liquidation event is uncertain, the Company has elected not to adjust the carrying values of its Preferred Stock to their respective liquidation values until it becomes probable that redemption will occur.

Election of Board of Directors

The holders of Series A are entitled to elect two members of the Board of Directors at each meeting or pursuant to each consent of stockholders for the election of directors. The holders of Series E are entitled to elect one member of the Board of Directors at each meeting or pursuant to each consent of stockholders for the election of directors. The holders of common stock, voting as a separate class, are entitled to elect two members of the Board of Directors at each meeting or pursuant to consent of stockholders for the election of directors. The holders of Preferred Stock and common stock, voting together as a single class, on an as-converted basis, are entitled to elect any remaining members of the Board of Directors. Upon the completion of an initial public offering, those contractual rights to elect directors will terminate.

Series B Redeemable Convertible Preferred Stock Warrant

In November 2011 the Company granted a fully vested warrant to purchase 29,058 shares of Series B redeemable convertible Preferred Stock (Series B warrant) at $1.38 per share, which warrant is exercisable at any time prior to its expiration in November 2021. The Series B warrant was issued in connection with a loan agreement and the fair value of the warrant at the time of issuance was recorded as debt issuance costs. In addition, the Series B warrant to purchase redeemable convertible preferred stock is accounted for as a liability award and recorded at fair value on its initial issuance date and adjusted to fair value at each balance sheet date (see Note 5), with the change in fair value

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Redeemable Convertible Preferred Stock (Continued)

being recorded in other expense, net in the consolidated statements of operations. Upon the earlier of the exercise of the Series B warrant or the completion of a liquidation event, including the completion of an IPO in which the shares underlying the warrants would convert from the related shares of preferred stock into shares of common stock, the preferred stock warrant liability will be remeasured to fair value and any remaining liability will be reclassified to additional paid-in capital.

As of January 31, 2016 and October 31, 2016 (unaudited), 29,058 shares of Series B remain exercisable under the warrant. As of January 31, 2015, January 31, 2016 and October 31, 2016, the fair value of the warrant was $0.1 million, $0.2 million and $0.3 million (unaudited), respectively, and was included in accrued expenses and other current liabilities on the accompanying consolidated balance sheets.

11. Common Stock and Stockholders' Deficit

As of January 31, 2016 and October 31, 2016 the Company was authorized to issue 107,790,000 and 120,000,000 (unaudited) shares, respectively, of common stock. Shares of common stock reserved for future issuance are as follows:

	As of January 31, 2016	As of October 31, 2016 (unaudited)
Redeemable convertible preferred stock	59,465,439	59,465,439
Redeemable convertible preferred stock warrant	29,058	29,058
Stock options outstanding	21,999,955	32,159,524
Common stock warrant	187,500	187,500
Shares reserved for future award issuances	800,886	196,107
Total	82,482,838	92,037,628

Options Subject to Early Exercise

At the discretion of the Board of Directors, certain options may be exercisable immediately at the date of grant but are subject to a repurchase right, under which the Company may buy back any unvested shares at their original exercise price in the event of an employee's termination prior to full vesting. The consideration received for an exercise of an unvested option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability. The liabilities are reclassified into equity as the awards vest. As of January 31, 2015, January 31, 2016 and October 31, 2016, the Company had $1.8 million, $3.0 million and $2.4 million (unaudited), respectively, recorded in accrued expenses and other current liabilities related to early exercises of options to acquire 1,008,068, 834,306 and 539,835 (unaudited) shares of common stock, respectively.

Secondary Sales of Common Stock

During the years ended January 31, 2015 and 2016, certain investors acquired 840,000 and 686,933 shares, respectively, of outstanding common stock from certain executives at purchase prices in excess of the estimated fair value at the time of the transactions (secondary sales). As a result, the Company recorded a total of $3.2 million, $2.1 million and $2.1 million in share-based compensation expense for the difference between the price paid by these investors and the estimated fair value on the date of the transaction for the years ended January 31, 2015 and 2016 and the nine months ended

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Common Stock and Stockholders' Deficit (Continued)

October 31, 2015, respectively. This expense was recorded as general and administrative expense in the consolidated statements of operations. There were no material secondary sales during the nine months ended October 31, 2016. In connection with these secondary sales of common stock, the Company either waived or assigned its rights of first refusal or other transfer restrictions applicable to such shares.

Stock Options

As of January 31, 2016 and October 31, 2016, the Company was authorized to grant up to 30,818,155 and 41,018,155 (unaudited) shares of common stock, respectively, to employees, directors and consultants pursuant to incentive and non-statutory stock options under the Company's 2009 Stock Plan (the Plan). Options issued to new employees under the Plan generally are exercisable for periods not to exceed ten years and generally vest over four years with 25% vesting after one year and with the remainder vesting monthly thereafter in equal installments. Shares offered under the Plan may be: (i) authorized but unissued shares or (ii) treasury shares. As of January 31, 2016 and October 31, 2016, 800,886 and 196,107 shares (unaudited), respectively, are reserved and available for future issuance under the Plan.

A summary of the Company's stock option activity and related information is as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 31, 2014	10,070,747	$ 0.96	9.05	$ 13,691
Granted	8,661,974	2.84		
Exercised	(2,436,221)	1.17		
Canceled	(1,538,958)	1.62		
Outstanding as of January 31, 2015	14,757,542	$ 1.96	8.82	$ 28,940
Granted	10,758,837	6.59		
Exercised	(1,291,099)	2.73		
Canceled	(2,225,325)	3.33		
Outstanding as of January 31, 2016	21,999,955	$ 4.04	8.55	$ 92,384
Granted (unaudited)	12,039,696	8.87		
Exercised (unaudited)	(669,947)	2.58		
Canceled (unaudited)	(1,210,180)	5.45		
Outstanding as of October 31, 2016 (unaudited)	32,159,524	$ 5.83	8.46	$ 125,866
Vested and expected to vest as of January 31, 2016	18,989,045	$ 3.77	7.70	$ 84,826
Vested and exercisable as of January 31, 2016	7,211,707	$ 1.94	7.58	$ 45,396
Vested and expected to vest as of October 31, 2016 (unaudited)	29,017,646	$ 5.65	8.39	$ 118,616
Vested and exercisable as of October 31, 2016 (unaudited)	10,839,783	$ 2.90	7.22	$ 74,154

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Common Stock and Stockholders' Deficit (Continued)

The weighted-average grant-date fair value of options granted was $1.80 and $3.14 during the years ended January 31, 2015 and 2016 and $3.00 (unaudited) and $3.93 (unaudited) during the nine months ended October 31, 2015 and 2016, respectively. The total grant-date fair value of stock options vested was $2.2 million and $7.7 million during the years ended January 31, 2015 and 2016, respectively and $5.2 million (unaudited) and $9.5 million (unaudited) during the nine months ended October 31, 2015 and 2016, respectively. The intrinsic value of the options exercised, which represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option, was $4.9 million and $4.8 million for the years ended January 31, 2015 and 2016, respectively and $3.0 million (unaudited) and $4.5 million (unaudited) during the nine months ended October 31, 2015 and 2016, respectively.

As of January 31, 2016 and October 31, 2016, there was a total of $26.1 million and $58.4 million (unaudited), respectively, of unrecognized share-based compensation expense, which is expected to be recognized over a weighted-average period of 3.2 years for both periods.

Share-Based Compensation to Employees

The Company's use of the Black-Scholes option-pricing model to estimate the fair value of stock options granted requires the input of highly subjective assumptions. These assumptions and estimates are as follows:

Fair value—Because the Company's common stock is not yet publicly traded, the Company must estimate the fair value of common stock. The Board of Directors considers numerous objective and subjective factors to determine the fair value of the Company's common stock options at each meeting in which awards are approved. The factors considered include, but are not limited to: (i) the results of contemporaneous independent third-party valuations of the Company's common stock; (ii) the prices, rights, preferences and privileges of the Company's Preferred Stock relative to those of its common stock; (iii) the lack of marketability of the Company's common stock; (iv) actual operating and financial results; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions and (vii) precedent transactions involving the Company's shares.

Expected volatility—Expected volatility is a measure of the amount by which the stock price is expected to fluctuate, since the Company does not have sufficient trading history of its common stock. It estimates the expected volatility of its stock options at their grant date by taking the weighted-average historical volatility of a group of comparable publicly-traded companies over a period equal to the expected life of the options.

Expected term—The Company determines the expected term based on the average period the stock options are expected to remain outstanding, generally calculated as the midpoint of the stock options vesting term and contractual expiration period, as the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Risk-free rate—The Company uses the U.S. Treasury yield for its risk-free interest rate that corresponds with the expected term.

Expected dividend yield—The Company utilizes a dividend yield of zero, as it does not currently issue dividends and does not expect to in the future.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Common Stock and Stockholders' Deficit (Continued)

The estimated forfeiture rate is based on an analysis of actual forfeitures and will continue to be evaluated based on actual forfeiture experience, analysis of historical and expected future employee turnover behavior and other factors. Furthermore, to the extent the Company's actual forfeiture rate is different from this estimate, share-based compensation is adjusted accordingly.

The following assumptions were used to calculate the fair value of employee stock option grants made during the following periods:

	Years Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Expected volatility	44% - 55%	42% - 46%	42% - 46%	41% - 44%
Expected term (in years)	5.4 - 6.1	5.0 - 6.1	5.0 - 6.1	5.8 - 6.4
Risk-free interest rate	1.45% - 1.95%	1.43% - 1.88%	1.43% - 1.88%	1.13% - 1.54%
Expected dividend yield	—	—	—	—

Awards Issued as Charitable Contribution

During the years ended January 31, 2015 and 2016, and the nine months ended October 31, 2015 and 2016 the Company granted 40,237, 17,433, 17,433 and 13,935 (unaudited) shares of common stock, respectively, as a charitable contribution. Related expenses of $0.2 million, $0.1 million, $0.1 million (unaudited) and $0.1 million (unaudited) are reported in general and administrative expenses in the consolidated of statements of operations for the years ended January 31, 2015 and 2016, and the nine months ended October 31, 2015 and 2016, respectively.

Share-Based Compensation Expense

Share-based compensation expense was recorded in the following cost and expense categories in the Company's consolidated statements of operations (in thousands):

	Years Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Cost of revenue:				
Subscription	$ 323	$ 909	$ 600	$ 1,417
Professional services and other	273	553	397	890
Research and development	912	1,748	1,138	2,162
Sales and marketing	1,236	2,853	1,829	4,385
General and administrative	3,836	3,769	3,182	3,015
Total	$6,580	$9,832	$7,146	$11,869

Share-based compensation expense recorded to research and development in the consolidated statements of operations exclude amounts that were capitalized related to internal-use software for the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016. Refer to Note 6. *Goodwill and Intangible Assets, Net,* for additional details. In addition, share-based compensation expense recorded to general and administrative in the consolidated statements of operations includes expenses associated with secondary sales of common stock for the years ended

11. Common Stock and Stockholders' Deficit (Continued)

January 31, 2015 and 2016 and the nine months ended October 31, 2015 (there were no material secondary sales during the nine months ended October 31, 2016).

12. Income Taxes

The domestic and foreign components of pre-tax income (loss) for the years ended January 31, 2015 and 2016 are as follows (in thousands):

	Years Ended January 31,	
	2015	2016
Domestic	$(59,393)	$(76,953)
Foreign	412	946
Loss before income taxes	$(58,981)	$(76,007)

The components of the provision for income taxes for the years ended January 31, 2015 and 2016 are as follows (in thousands):

	Years Ended January 31,	
	2015	2016
Current:		
Federal	$ —	$ —
State	—	—
Foreign	65	295
Total current provision for income taxes	$ 65	$ 295
Deferred:		
Federal	$ 60	$ 60
State	5	6
Foreign	—	(66)
Total deferred provision for income taxes	$ 65	$ —
Total provision for income taxes	$ 130	$ 295

As a result of the Company's history of net operating losses and full valuation allowance against its deferred tax assets, the income tax provision relates to foreign taxes and tax amortization of goodwill for the years ended January 31, 2015 and January 31, 2016.

12. Income Taxes (Continued)

The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate for the years ended January 31, 2015 and 2016:

	Years Ended January 31,	
	2015	2016
Tax at federal statutory rate	34.0%	34.0%
State income taxes, net of federal benefit	2.7	2.7
Change in valuation allowance	(32.4)	(33.8)
Share-based compensation	(3.4)	(3.1)
Other, net	(1.1)	(0.2)
Effective tax rate	(0.2)%	(0.4)%

The tax effects of temporary differences and related deferred tax assets and liabilities as of January 31, 2015 and 2016 are as follows (in thousands):

	As of January 31,	
	2015	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 47,372	$ 72,022
Deferred revenue	1,638	3,691
Other reserves and accruals	746	3,499
Credits	433	548
Depreciation and amortization	151	—
Total deferred tax assets	$ 50,340	$ 79,760
Valuation allowance	(45,740)	(71,432)
Total deferred tax assets, net	$ 4,600	$ 8,328
Deferred tax liabilities:		
Deferred commissions	$ (4,010)	$ (6,692)
Capitalized internal-use software costs	(590)	(1,326)
Goodwill	(65)	(131)
Depreciation and amortization	—	(244)
Total deferred tax liabilities	(4,665)	(8,393)
Net deferred tax liabilities	$ (65)	$ (65)

As a result of continuing losses, the Company has determined that it is more likely than not that it will not realize the benefits of the U.S. deferred tax assets and, therefore, the Company has recorded a valuation allowance to reduce the carrying value of the deferred tax assets, net of deferred tax liabilities, to approximately zero. The U.S. valuation allowance increased by $19.4 million and $25.7 million during the years ended January 31, 2015 and 2016, respectively.

As of January 31, 2015 and 2016, the Company had approximately $125.6 million and $192.8 million, respectively, of federal and $83.6 million and $121.7 million, respectively, of state net operating loss carryforwards available to offset future taxable income. If not utilized, the federal and state net operating loss carryforwards will begin to expire in 2029 and 2024, respectively.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Income Taxes (Continued)

As of January 31, 2016, the Company had federal and California research and development tax credit carryforwards of $1.7 million and $1.8 million, respectively. The federal research and development credits will start to expire in 2030 while the California research and development credits do not expire. The Company has California Enterprise Zone credits of $0.8 million that begin to expire in 2023. Pursuant to authoritative guidance, the excess tax benefit from share-based compensation will only be recorded to stockholder's equity when cash taxes payable are reduced. As of January 31, 2016, the portion of net operating loss carryforwards related to the excess tax benefit from share-based compensation was approximately $0.5 million, the benefit of which will be credited to additional-paid-in-capital when realized.

The Company's ability to utilize the net operating loss and tax credit carryforwards in the future may be subject to substantial restrictions in the event of past or future ownership changes as defined in Section 382 of the Internal Revenue Code and similar state tax laws.

The Company attributes net revenue, costs and expenses to domestic and foreign components based on the terms of its agreements with its subsidiaries. The Company does not provide for federal income taxes on the undistributed earnings of its foreign subsidiaries as such earnings are to be reinvested offshore indefinitely. If the Company repatriated these earnings, the resulting income tax liability would be insignificant. The Company files tax returns in the United States for federal, California, and other states and foreign tax returns in the United Kingdom. Due to the Company's net operating loss carryforwards, all tax years since inception remain subject to examination for Federal and California, and fiscal year 2015 remains subject to examination for the United Kingdom.

As of January 31, 2016, the Company had unrecognized tax benefits which would not impact the effective tax rate because of the valuation allowance. The Company's policy is to include interest and penalties related to unrecognized tax benefits within the provision for income taxes. As of January 31, 2016, the Company has not accrued any interest or penalties related to unrecognized tax benefits.

A reconciliation of beginning and ending amount of unrecognized tax benefit is as follows (in thousands):

	Year Ended January 31,	
	2015	2016
Gross amount of unrecognized tax benefits as of the beginning of the year	$ 709	$ 1,544
Additions based on tax positions related to current year	835	1,351
Gross amount of unrecognized tax benefits as of the end of the year	$ 1,544	$ 2,895

13. Net Loss Per Share

The Company computes net loss per share of common stock in conformity with the two-class method required for participating securities. The Company considers all series of Preferred Stock to be participating securities as the holders of the Preferred Stock are entitled to receive a non-cumulative dividend on a pari passu basis in the event that a dividend is paid on the common stock. The holders of the Preferred Stock do not have a contractual obligation to share in the Company's losses. As such, the Company's net losses for the years ended January 31, 2015 and 2016 and the nine months ended October 31, 2015 and 2016 (unaudited), were not allocated to these participating securities.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Net Loss Per Share (Continued)

outstanding during the period. Options subject to early exercise that are exercised prior to vesting are excluded from the computation of weighted-average number of shares of common stock outstanding until such shares have vested. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including common stock issuable upon conversion of the Preferred Stock, outstanding stock options and outstanding warrants, to the extent they are dilutive.

The following table presents the calculation of basic and diluted net loss per share for periods presented (dollars in thousands, except per share data):

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Numerator:				
Net loss	$ (59,111)	$ (76,302)	$ (54,874)	$ (65,285)
Denominator:				
Weighted-average shares used to compute net loss per share, basic and diluted	16,097	17,817	17,638	18,850
Net loss per share, basic and diluted	$ (3.67)	$ (4.28)	$ (3.11)	$ (3.46)

Since the Company was in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential common shares outstanding would have been anti-dilutive. Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows (in thousands):

	Year Ended January 31,		Nine Months Ended October 31,	
	2015	2016	2015	2016
			(unaudited)	
Redeemable convertible preferred stock	53,224	59,465	59,465	59,465
Shares subject to outstanding common stock options	14,758	22,000	20,780	32,160
Common stock warrant issued	188	188	188	188
Redeemable convertible Series B warrant issued	29	29	29	29
	68,199	81,682	80,462	91,842

Unaudited Consolidated Pro Forma Net Loss per Share

Subject to the satisfaction of certain conditions, immediately prior to the completion of the Company's initial public offering, all of outstanding shares of redeemable convertible preferred stock will convert into 59,465,439 shares of common stock. Unaudited pro forma net loss per share for the year ended January 31, 2016 and the nine months ended October 31, 2016 has been computed to give effect to the automatic conversion of all outstanding redeemable convertible preferred stock (using the as-if-converted method) into common stock as of the beginning of the period. In addition, the numerator has been adjusted to reverse the fair value adjustments related to the Series B warrant outstanding, as it will become a warrant to purchase common shares and at such time will no longer require periodic revaluation.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Net Loss Per Share (Continued)

The following table presents the calculation of pro forma basic and diluted net loss per share (in thousands, except per share data):

	Year Ended January 31, 2016	Nine Months Ended October 31, 2016
		(unaudited)
Net loss	$ (76,302)	$ (65,285)
Pro forma adjustment to reflect change in fair value of redeemable convertible preferred stock warrant liability	127	45
Pro forma net loss	$ (76,175)	$ (65,240)
Shares:		
Weighted-average shares used in computing basic net loss per share	17,817	18,850
Pro forma adjustment to reflect conversion of redeemable convertible preferred stock to occur in connection with the Company's expected IPO	59,465	59,465
Weighted-average shares used in computing basic and diluted pro forma net loss per share	77,282	78,315
Pro forma basic and diluted net loss per share	$ (0.99)	$ (0.83)

14. Related Party Transactions

Certain members of the Board of Directors serve on the Board of directors of and/or are executive officers of and, in some cases, are investors in, companies that are customers or vendors of the Company. Certain of the Company's executive officers also serve on the Board of Directors of or serve in an advisory capacity to companies that are customers or vendors of the Company. Related party transactions were not material as of and for the years ended January 31, 2015 and 2016, or as of and for the nine months ended October 31, 2016 (unaudited).

15. Subsequent Events

In November 2016, the Company amended its Loan and Security Agreement with SVB to increase the revolving line of credit from $20.0 million to $40.0 million and extend the maturity to November 2018. In connection with this amendment, the Company is subject to restrictions on its ability to pay dividends and is subject to an upfront one-time commitment fee and annual anniversary fees. Amounts drawn on the line of credit will accrue interest monthly at the Wall Street Journal prime rate plus 0.75%.

On December 14, 2016, the Board of Directors approved an amendment to the Company's 2009 Stock Plan to increase the number of shares of Common stock reserved for issuance by 2,150,000 shares, from 41,018,155 shares to 43,168,155 shares.

For its consolidated financial statements as of January 31, 2015 and 2016, and for each of the two years in the period ended January 31, 2016, the Company has evaluated the effects of subsequent events through December 20, 2016, the date the consolidated financial statements were available to be issued.

OKTA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Subsequent Events (unaudited)

On February 17, 2017, the Company entered into a Waiver, Release and License Agreement with Stormpath Inc. (Stormpath), a privately-held identity management company for API software, pursuant to which the Company acquired a non-exclusive license to the intellectual property of Stormpath and an agreement by Stormpath to waive any claims against the Company related to the hiring of designated employees of Stormpath for total consideration of 1,000,000 shares of the Company's common stock. The transaction is expected to be accounted for as a business combination, which is not considered material to the Company and, accordingly, the Company has not included any related pro forma disclosures.

On February 20, 2017, the Board of Directors approved an amendment to the Company's 2009 Stock Plan to increase the number of shares of common stock reserved for issuance by 1,200,000 shares, from 43,168,155 to 44,368,155.

On February 20, 2017, the Board of Directors reserved 300,000 shares of the Company's common stock to fund and support the operations of Okta for Good. Okta for Good's mission is to mobilize the Company's technology and people to enable global non-profits to achieve their missions faster. Okta for Good is a part of the Company and not a separate legal entity.

On March 6, 2017, the Board of Directors approved an amendment to the Company's 2009 Stock Plan to increase the number of shares of common stock reserved for issuance by 1,000,000 shares, from 44,368,155 to 45,368,155.

For its interim consolidated financial statements as of October 31, 2016 and the nine-month period then ended, the Company has evaluated the effects of subsequent events through March 13, 2017, the date these interim consolidated financial statements were available to be issued.

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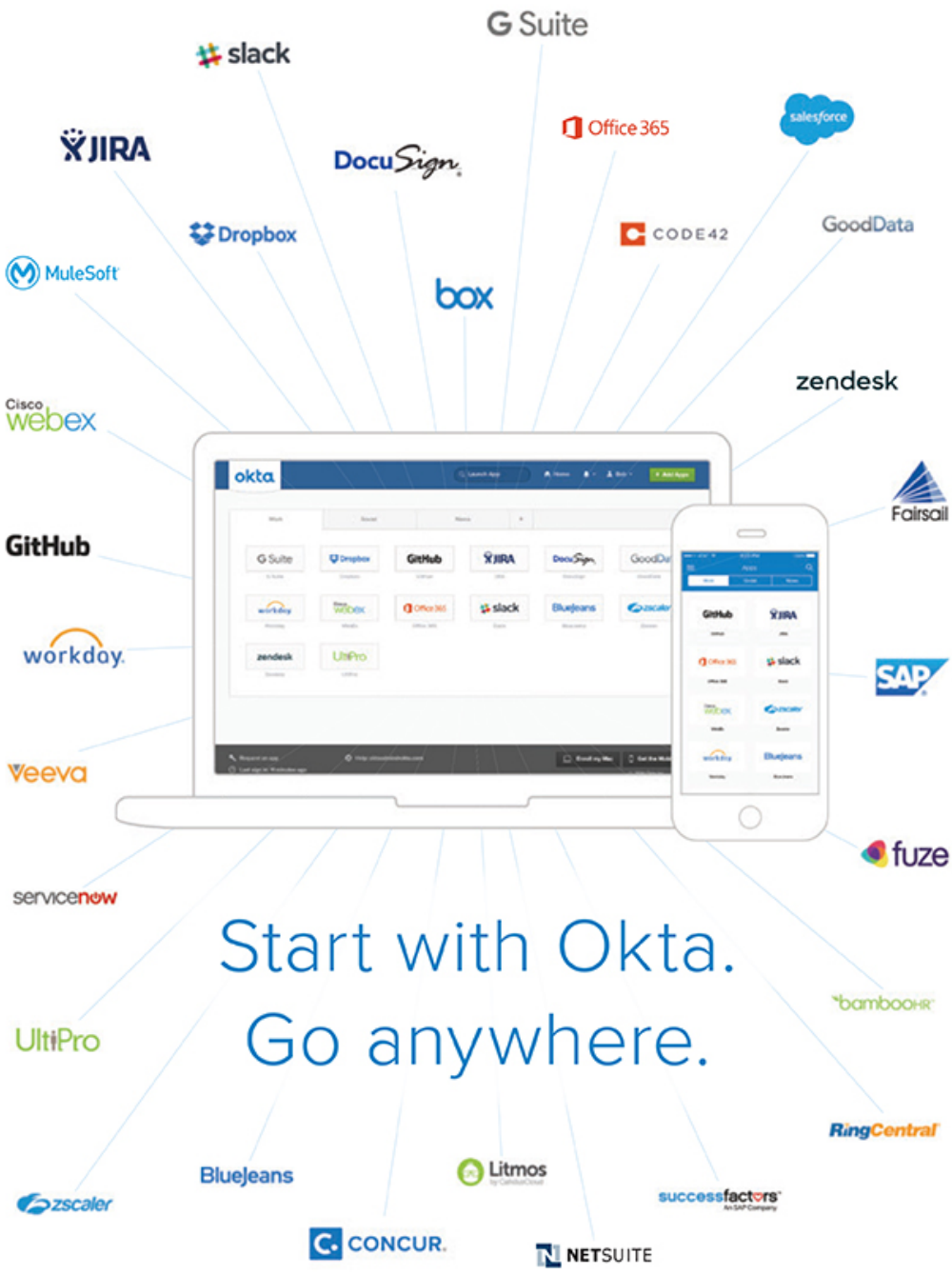

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the listing fee.

SEC registration fee	$ 11,590
FINRA filing fee	15,500
NASDAQ listing fee	*
Printing and engraving	*
Legal fees and expenses	*
Accounting fees and expenses	*
Custodian, transfer agent and registrar fees	*
Miscellaneous	*
Total	$ *

* To be provided by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

Prior to the completion of this offering, we expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, prior to the completion of this offering, we expect to adopt amended and restated bylaws which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent

permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to very limited exceptions.

Further, prior to the completion of this offering, we expect to enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements will require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements will also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended restated bylaws and in indemnification agreements that we enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

Since February 1, 2013, we made sales of the following unregistered securities:

Preferred Issuances

In August 2013, the Registrant sold an aggregate of 6,833,651 shares of its Series D redeemable convertible preferred stock to 7 accredited investors at a purchase price of $4.02 per share, for an aggregate purchase price of $27,499,988.

In May 2014, the Registrant sold an aggregate of 9,484,234 shares of its Series E redeemable convertible preferred stock to 13 accredited investors at a purchase price of $7.91 per share, for an aggregate purchase price of $75,000,086.

From July 2015 through September 2015, the Registrant sold an aggregate of 6,241,936 shares of its Series F redeemable convertible preferred stock to 12 accredited investors at a purchase price of $12.02 per share, for an aggregate purchase price of $74,999,982.

Option and Common Issuances

Since February 1, 2013, we granted to our employees, consultants and other service providers options to purchase an aggregate of 41,880,625 shares of common stock under our 2009 Plan at exercise prices ranging from $0.62 to $11.36 per share.

Since February 1, 2013, we granted to our employees, consultants and other service providers restricted stock awards for an aggregate of 598,500 shares of common stock under our 2009 Plan.

Since February 1, 2013, we issued and sold to our employees, consultants and other service providers an aggregate of 6,637,352 shares of common stock upon the exercise of options under our 2009 Plan at exercise prices ranging from $0.14 to $8.97 per share, for a weighted-average exercise price of $1.48.

Since February 1, 2013, we donated 71,605 shares of our common stock to Tipping Point Community, a charitable organization, for which we did not receive consideration.

Since February 1, 2013, we issued 1,000,000 shares of our common stock in business combination transactions. These shares were issued under the exemption from registration pursuant to Section 4(a)(2) of the Securities Act.

Warrant Issuances

On March 10, 2014, we granted Silicon Valley Bank a warrant to purchase up to 300,000 shares of common stock at $1.40 per share, of which 187,500 were issued at inception of the agreement, with the remainder based upon advances drawn.

We believe these transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about Okta.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) *Exhibits.*

See the Exhibit Index on the page immediately following the signature page for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) *Financial Statement Schedules.*

All schedules are omitted because the required information is either not present, not present in material amounts or is presented within the consolidated financial statements included in the prospectus that is part of this registration statement.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to directors, officers and controlling persons of

the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Francisco, California, on March 13, 2017.

OKTA, INC.

By: /s/ Todd McKinnon
Todd McKinnon
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Todd McKinnon, William E. Losch and Jonathan T. Runyan, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Registration Statement on Form S-1 of Okta, Inc., and any or all amendments (including post-effective amendments) thereto and any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in connection therewith and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Todd McKinnon Todd McKinnon	Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2017
/s/ William E. Losch William E. Losch	Chief Financial Officer (Principal Accounting and Financial Officer)	March 13, 2017
/s/ J. Frederic Kerrest J. Frederic Kerrest	Director	March 13, 2017
/s/ Patrick Grady Patrick Grady	Director	March 13, 2017
/s/ Ben Horowitz Ben Horowitz	Director	March 13, 2017
/s/ Michael Kourey Michael Kourey	Director	March 13, 2017
/s/ Michael Stankey Michael Stankey	Director	March 13, 2017
/s/ Michelle Wilson Michelle Wilson	Director	March 13, 2017

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
3.1	Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of the Registrant to be in effect immediately prior to the completion of this offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the Registrant to be adopted immediately prior to the completion of this offering.
4.1	Form of Class A common stock certificate of the Registrant.
4.2	Amended and Restated Investors' Rights Agreement, dated July 31, 2015, by and among the Registrant and certain of its stockholders.
4.3	Warrant to Purchase Stock issued to Silicon Valley Bank by the Registrant, dated November 22, 2011.
4.4	Warrant to Purchase Common Stock issued to Silicon Valley Bank by the Registrant, dated March 10, 2014.
5.1*	Opinion of Goodwin Procter LLP.
10.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2#	Amended and Restated 2009 Stock Plan, as amended, and forms of agreements thereunder.
10.3#*	2017 Equity Incentive Plan, and forms of agreements thereunder.
10.4#*	2017 Employee Stock Purchase Plan, and form of agreements thereunder.
10.5	Sublease Agreement between the Registrant and StumbleUpon, Inc., dated February 2014, as amended.
10.6	Agreement of Lease between the Registrant and Six Thirty-Four Second Street, LLC, dated December 11, 2014, as amended.
10.7#	Senior Executive Cash Incentive Bonus Plan
10.8#	Executive Severance Plan
10.9#	Non-Employee Director Compensation Policy
10.10#	Form of Offer Letter between the Registrant and each of its executive officers.
10.11	Loan and Security Agreement, between Silicon Valley Bank and the Registrant, dated March 10, 2014, as last amended November 21, 2016.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1).
24.1	Power of Attorney (see page II-5 of this Registration Statement on Form S-1).

* To be filed by amendment.

\# Indicates management contract or compensatory plan, contract or agreement.

Exhibit 1.1

Okta, Inc.

Class A Common Stock, par value $0.0001 per share

Underwriting Agreement

_____, 2017

Goldman, Sachs & Co.,
J.P. Morgan Securities LLC
As representatives ("**Representatives**" or "**you**") of the several Underwriters
named in Schedule I hereto,

c/o Goldman, Sachs & Co.
200 West Street
New York, New York 10282-2198

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

Okta, Inc., a Delaware corporation (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "**Underwriters**") an aggregate of [_____] shares (the "**Firm Shares**") and, at the election of the Underwriters, up to [_____] additional shares (the "**Optional Shares**") of Class A Common Stock of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "**Shares**"). As used herein, the term "**Stock**" means all shares of common stock of the Company, including, upon the completion of the offering of the Shares, the Class A Common Stock and the Class B Common Stock.

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-[_____]) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other

than a registration statement, if any, increasing the size of the offering (a "**Rule 462(b) Registration Statement**"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "**Act**"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "**Preliminary Prospectus**"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "**Registration Statement**"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(c) hereof) is hereinafter called the "**Pricing Prospectus**"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "**Prospectus**"; any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "**Issuer Free Writing Prospectus**"); any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act is hereinafter called a "**Section 5(d) Communication**"; and any Section 5(d) Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "**Section 5(d) Writing**";

(b) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(c) For the purposes of this Agreement, the "**Applicable Time**" is [_____] p.m. (Eastern time) on the date of this Agreement. The Pricing Prospectus, as supplemented by the information listed on Schedule II(c) hereto, taken together (collectively, the "**Pricing Disclosure Package**"), as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule II(a) hereto and each Section 5(d) Writing listed on Schedule II(b) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus, or the Prospectus, and each such Issuer Free Writing Prospectus and each such Section 5(d) Writing, each as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to statements or omissions made in an Issuer Free Writing Prospectus or Section 5(d) Writing in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(e) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (1) any change in the capital stock (other than as a result of (A) the exercise or settlement (including any "net" or "cashless" exercises or settlements) of stock options or restricted stock units, as applicable, or the award of stock options or restricted stock units in the ordinary course of

business, (B) the exercise of warrants described in the Pricing Prospectus or filed as exhibits to the Registration Statement, (C) the repurchase of unvested Stock by the Company upon termination of the holder's employment with the Company, in each case under (A) and (C) pursuant to the terms of the Company's equity plans that are described in the Pricing Prospectus and subject to the terms of award agreements that have been filed as exhibits to the Registration Statement), (2) any change in the long-term debt of the Company or any of its subsidiaries or (3) any Material Adverse Effect, otherwise than as set forth or contemplated in the Pricing Prospectus. "Material Adverse Effect" for purposes of this Agreement shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (i) the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, or (ii) the ability of the Company to perform its obligations under this Agreement;

(f) The Company and its subsidiaries do not own any real property. The Company and its subsidiaries have good and marketable title to all personal property owned by them (other than with respect to Intellectual Property, which is addressed exclusively in subsection (z) below) free and clear of all liens, encumbrances and defects except such as are described in the Pricing Prospectus or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease, or sublease, by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases, or subleases, (subject to the effects of (A) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights or remedies of creditors generally; (B) the application of general principles of equity (including without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether enforcement is considered in proceedings at law or in equity); and (C) applicable law and public policy with respect to rights to indemnity and contribution) with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Prospectus and the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification (the "**Other Jurisdictions**"), except where the failure to so qualify or be in good standing in such Other Jurisdictions would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and each subsidiary of

the Company has been duly incorporated or formed and is validly existing as a corporation or other business organization in good standing (or the foreign equivalent) under the laws of its jurisdiction of incorporation or formation, except where the failure to be in good standing (or the foreign equivalent) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(h) The Company has the authorized capitalization as set forth in the Pricing Prospectus and the Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(i) The Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus;

(j) The issue and sale of the Shares and the compliance by the Company with this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (i) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) the Certificate of Incorporation, By-laws or similar organizational documents, as applicable, of the Company or any of its subsidiaries, or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except in the case of clauses (i) and (iii) for such violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares, the approval by the Financial Industry Regulatory Authority ("**FINRA**") of the underwriting terms and arrangements, the approval for listing on the Nasdaq Stock Market Inc.'s Global Select Market ("**NASDAQ**") and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(k) Neither the Company nor any of its subsidiaries is (i) in violation of its Certificate of Incorporation, By-laws or similar organization documents, as applicable, or (ii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound except in the case of clause (ii) for such defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(l) The statements set forth in the Pricing Prospectus and Prospectus under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the securities of the Company, under the caption "Certain Material U.S. Federal Income Tax Consequences," and under the caption "Underwriting," insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

(m) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries, or, to the Company's knowledge, any officer or director of the Company is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(n) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**");

(o) At the time of filing the Initial Registration Statement, the Company was not and is not an "ineligible issuer," as defined under Rule 405 under the Act;

(p) Ernst & Young LLP, which has certified the financial statements of the Company and its subsidiaries, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(q) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) that complies with the requirements of the Exchange Act applicable to the Company upon completion of the sale of the Firm Shares and has been designed by the Company's principal executive officer and principal financial officer, or under their 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. The Company's internal control over financial reporting is sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company is not aware of (i) any material weaknesses or (ii) any significant deficiencies in its internal control over financial reporting (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the "**Sarbanes-Oxley Act**") as of an earlier date than it would otherwise be required to so comply under applicable law), except in the case of (ii) that have been fully remediated and are disclosed in the Pricing Prospectus and Prospectus;

(r) Since the date of the latest audited financial statements included in the Pricing Prospectus and Prospectus, there has been no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting;

(s) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act applicable to the Company upon completion of the sale of the Firm Shares; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(t) The financial statements, including the notes thereto, and the supporting schedules included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the financial position as of the dates indicated therein and the cash flows and results of operations for the periods indicated therein of the Company and its subsidiaries; such financial statements have been prepared in conformity with generally accepted accounting principles as applied in the United States ("**U.S. GAAP**") applied on a consistent basis throughout the periods involved; and the supporting schedules, if any, included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the information required to be stated therein in accordance with U.S. GAAP. The selected historical

financial data set forth in the Registration Statement, the Pricing Prospectus and the Prospectus under the captions "Prospectus Summary—Summary Consolidated Financial Data and Other Data" and "Selected Consolidated Financial Data and Other Data" present fairly in all material respects the information included therein; except as included therein, no other historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement. All other financial and accounting-related information and data included in the Registration Statement, the Pricing Prospectus and the Prospectus has been prepared on a basis consistent with that of the financial statements that are included in the Registration Statement, the Pricing Prospectus and the Prospectus, and the books and records of the Company and its subsidiaries and presents fairly in all material respects the information shown thereby, and in the case of all financial measures prepared other than in accordance with U.S. GAAP included in the Registration Statement, the Pricing Prospectus and the Prospectus, such measures are presented in all material respects in compliance with Regulation G under the Exchange Act and Item 10 of Regulation S-K under the Act, as applicable;

(u) There are no off-balance sheet arrangements (as defined in Regulation S-K Item 303(a)(4)(ii)) that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources;

(v) The Company has not sold or issued any securities during the six-month period preceding the date of the Prospectus, including any sales pursuant to Rule 144A or Regulation D of the Act, other than (i) shares issued pursuant to employee benefit plans disclosed in the Pricing Disclosure Package and the Prospectus, stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants, or (ii) as disclosed in the Pricing Disclosure Package and the Prospectus;

(w) Except in all cases where such violation, claim, request, notice, proceeding, investigation or material capital expenditure would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any applicable statute, law, rule, regulation, ordinance, code, rule of common law or order of or with any governmental agency or body or any court, domestic or foreign, relating to the use, management, disposal or release of hazardous or toxic substances or wastes or relating to pollution or the protection of the environment or human health or relating to exposure to hazardous or toxic substances or wastes (collectively, "**Environmental Laws**"), (B) neither the Company nor any of its subsidiaries has received any written claim, written request for information or written notice of liability or investigation arising under, relating to or based upon any Environmental Laws, (C) neither the Company nor any of its subsidiaries is aware of any pending or threatened notice, claim, proceeding or investigation which might lead to liability under Environmental Laws, (D) the Company does not

anticipate incurring material capital expenditures relating to compliance with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, investigation or closure of properties or compliance with Environmental Laws or any permit, license, approval, any related constraints on operating activities and any potential liabilities to third parties) and (E) neither the Company nor any of its subsidiaries has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended;

(x) None of the Company, any of its subsidiaries, or any of their respective directors, officers, or employees, or, to the knowledge of the Company, any affiliate, agent or other person associated with or acting on behalf of the Company or any of its subsidiaries has, directly or indirectly, (i) made any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended; (iv) violated or is in violation of any provision of the Bribery Act 2010 of the United Kingdom; (v) violated or is in violation of any provision of any other applicable anti-bribery or anti-corruption law; or (vi) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(y) This Agreement has been duly authorized, executed and delivered by the Company;

(z) The Company and its subsidiaries own or possess or, to their knowledge, can obtain on reasonable terms, adequate rights to use all patents, trademarks, service marks, trade names, domain names, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and other technology and intellectual property rights, including registrations and applications for registration thereof (collectively, "**Intellectual Property**") used by them or necessary for the conduct of their respective businesses as currently conducted by them or to be conducted by them as described in the Registration Statement, the Pricing Prospectus and the Prospectus (the "**Company Intellectual Property**"); other than as set forth in the Registration Statement, the Pricing Prospectus and the Prospectus, neither the Company nor any of its subsidiaries has received any written notice, or otherwise has any knowledge, of any infringement of, or conflict with asserted rights of others with respect to any Intellectual Property that would render any Company Intellectual Property invalid, unenforceable or inadequate to protect the interest of the Company and any of its subsidiaries therein, except as would not reasonably be expected to have a Material Adverse Effect; except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, (A) to the Company's knowledge, there are no third parties who have ownership rights or rights to use, or have a claim over, any Company Intellectual Property, except for (i) the retained rights of the

owners of Company Intellectual Property which is licensed to the Company or the subsidiaries and (ii) the rights of customers, licensees, resellers and other channel partners to use Company Intellectual Property in the ordinary course, consistent with past practice, (B) there is no pending, or to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's rights or any of the subsidiaries' rights in or to any Company Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim, except as would not be expected to have a Material Adverse Effect, (C) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any Company Intellectual Property, (D) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company or any of the subsidiaries infringes or misappropriates any Intellectual Property or other proprietary rights of others, (E) the Company and its subsidiaries have taken commercially reasonably steps consistent with prevalent industry practices to ensure that, and to the Company's knowledge, no Company Intellectual Property has been obtained or is being used by the Company or any of the subsidiaries in violation of any contractual obligation binding on the Company or any of the subsidiaries, or otherwise in violation of the rights of any persons; the Company and its subsidiaries have taken reasonable steps consistent with prevalent industry practice to secure interests in the Company Intellectual Property developed by their employees, consultants, agents and contractors in the course of their service to the Company, including the execution of valid assignment and non-disclosure agreements or licenses for the benefit of the Company and/or its subsidiaries by such employees, consultants, agents and contractors under which they have assigned or licensed, to the Company, all of their right, title and interest in and to any Company Intellectual Property and the rights associated therewith; there are no outstanding options, licenses or binding agreements of any kind relating to the Company Intellectual Property owned by the Company or any of its subsidiaries that are required to be described in the Registration Statement, the Pricing Prospectus and the Prospectus and are not so described; the Company and its subsidiaries are not a party to or bound by any options, licenses or binding agreements with respect to any Intellectual Property of any other person or entity that are required to be set forth in the Registration Statement and the Prospectus and are not so described; the Company and its subsidiaries have used all software and other materials distributed under a "free," "open source," or similar licensing model (including but not limited to the GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) ("**Open Source Materials**") in material compliance with all license terms applicable to such Open Source Materials, except where the failure to comply would not reasonably be expected to result in a Material Adverse Effect; neither the Company nor any of its subsidiaries has used or distributed any Open Source Materials in a manner that requires or has required (i) the Company or any of the subsidiaries to permit reverse engineering of any proprietary

products or services of the Company or any of the subsidiaries, or any proprietary software code or other technology owned by the Company or any of the subsidiaries or (ii) any proprietary products or services of the Company or any of the subsidiaries, or any proprietary software code or other technology owned by the Company or any of the subsidiaries, to be (x) disclosed or distributed in source code form, (y) licensed for the purpose of making derivative works, or (z) redistributed at no charge or minimum charge, except, in the case of each of (i) and (ii) above, for the Open Source Materials themselves (and derivatives thereof) and otherwise such as would not reasonably be expected to result in a Material Adverse Effect; no government funding, facilities or resources of a university, college, other educational institution or research center or funding from third parties was used in the development of any Company Intellectual Property owned or purportedly owned by the Company or any of its subsidiaries that does not permit use by the Company or any of its subsidiaries as described in the Registration Statement, the Pricing Prospectus and the Prospectus, and no governmental agency or body, university, college, other educational institution or research center has any claim of ownership in or to any Company Intellectual Property that is owned or purported to be owned by the Company or any of its subsidiaries, except as would not be expected to have a Material Adverse Effect; the Company and its subsidiaries have taken commercially reasonable steps in accordance with prevalent industry practice to maintain the confidentiality of all trade secrets and confidential information owned, used or held for use by the Company or any of its subsidiaries that the Company in its reasonable business judgment wishes to maintain as trade secrets;

(aa) The information technology systems, equipment and software used by the Company or any of its subsidiaries in their respective businesses (the "**IT Assets**") are adequate for the operation of the business of the Company as currently conducted. Such IT Assets (i) operate and perform in all material respects in accordance with their documentation and functional specifications and otherwise as required by the Company's and its subsidiaries' respective businesses as currently conducted, (ii) except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, have not materially malfunctioned or failed since the Company's inception, except as would not be expected to have a Material Adverse Effect, and (iii) are free of any viruses, "back doors," "Trojan horses," "time bombs, "worms," "drop dead devices" or other software or hardware components that are designed or intended to interrupt use of, permit unauthorized access to, or disable, damage or erase, any software material to the business of the Company or any of its subsidiaries. The Company and its subsidiaries have implemented commercially reasonable backup and disaster recovery technology processes consistent with prevalent industry practices. To the Company's knowledge, no person has gained unauthorized access to any IT Asset since the Company's inception in a manner that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(bb) With regard to their receipt, collection, handling, processing, sharing, transfer, usage, disclosure, interception, security, storage and disposal of all data and information that identifies or relates to a distinct individual, user account, or device, including without limitation IP addresses, mobile device identifiers, geolocation information and website usage activity data, or that is directly linked to such information (collectively, "**Personal and Device Data**"), the Company and its subsidiaries comply, and at all times have complied, in all material respects with all applicable laws, regulations, and contractual obligations ("**Privacy Legal Obligations**"). The Company and its subsidiaries have commercially reasonable policies and procedures designed to ensure the Company and its subsidiaries comply in all material respects with such Privacy Legal Obligations and take appropriate steps that are reasonably designed to assure compliance with such policies and procedures. Such policies and procedures comply in all material respects with all Privacy Legal Obligations. The Company and its subsidiaries maintain, and at all times have maintained, reasonable data security policies and procedures designed to protect the confidentiality, security, and integrity of Personal and Device Data and to prevent unauthorized use of and access to Personal and Device Data. The Company and its subsidiaries have required and do require all third parties to which they provide any Personal and Device Data to maintain the privacy and security of such Personal and Device Data and to comply with applicable Privacy Legal Obligations, including by contractually requiring such third parties to protect such Personal and Device Data from unauthorized access, use and/or disclosure. There has been no material unauthorized access to, or use or disclosure of, Personal and Device Data maintained by or for the Company or its subsidiaries;

(cc) (A) There are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the Act except as have been validly waived or complied with and (B) the holders of outstanding shares of the Company's capital stock are not entitled to preemptive or other rights to subscribe for the Shares that have not been complied with or otherwise effectively waived;

(dd) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of the various jurisdictions in which the Company and its subsidiaries conduct business (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(hh) None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or

any of its subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**"), or other relevant sanctions authority (collectively, "**Sanctions**"), and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any unlawful activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions or (ii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions;

(ii) The Company and each of its subsidiaries has filed all federal, state, local and foreign tax returns required to be filed through the date hereof or have requested extensions thereof and have paid all taxes required to be paid thereon, except for cases in which the failure to file or pay would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; no tax deficiency has been determined adversely to the Company or any of its subsidiaries (nor has the Company or any of its subsidiaries received written notice of any tax deficiency that will be assessed or, to the Company's knowledge, has been proposed by any taxing authority, which could reasonably be expected to be determined adversely to the Company or its subsidiaries);

(jj) The Company and each of its subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are, in the Company's reasonable judgment, prudent and customary in the businesses in which the Company and its subsidiaries are engaged; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business;

(kk) No material labor dispute with or disturbance by the employees of the Company or any of its subsidiaries exists or is threatened; and neither the Company nor any of its subsidiaries has received written notice of any existing, threatened or imminent labor disturbance by the employees of any of its principal vendors, partners or contractors.

(ll) Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in the Registration Statement, the Pricing Disclosure Package or the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources;

(mm) From the time of initial confidential submission of a registration statement relating to the Shares with the Commission (or, if earlier, the first date on which a Section 5(d) Communication was made) through the date hereof, the Company has been an "emerging growth company" as defined in Section 2(a)(19) of the Act;

(nn) (A) Each Plan (as defined below) has been sponsored, maintained and contributed to in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the Internal Revenue Code of 1986, as amended (the "**Code**"); (B) no non-exempt prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan; (C) for each Plan, no failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, has occurred or is reasonably expected to occur; (D) no "reportable event" (within the meaning of Section 4043(c) of ERISA, other than those events as to which notice is waived) has occurred or is reasonably expected to occur; (E) neither the Company nor any member of its "**Controlled Group**" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Code) has incurred, nor is reasonably expected to incur, any liability under Title IV of ERISA (other than contributions to any Plan or any Multiemployer Plan (as defined below) or premiums to the Pension Benefit Guaranty Corporation (the "**PBGC**"), in the ordinary course and without default) in respect of a Plan or a Multiemployer Plan; and (F) there is no pending audit or investigation by the Internal Revenue Service, the Department of Labor, the PBGC or any other governmental agency or any foreign regulatory agency with respect to any Plan. Each Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service or has time remaining to do so and, to the knowledge of the Company, nothing has occurred, whether by action or by failure to act, which would reasonably be expected to cause the loss of such qualification. None of the following events has occurred or is reasonably likely to occur: (x) a material increase in the aggregate amount of contributions required to be made to all Plans by the Company or its subsidiaries in the current fiscal year of the Company and its subsidiaries compared to the amount of such contributions made in the Company and its subsidiaries' most recently completed fiscal year; or (y) a material increase in the Company and its subsidiaries' "accumulated post-retirement benefit obligations" (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 715) compared to the amount of such obligations in the Company and its subsidiaries' most recently completed fiscal year. For purposes of this paragraph, (i) the term "**Plan**" means an employee benefit plan, within the meaning of Section 3(3) of ERISA, subject to Title IV of ERISA, but excluding any Multiemployer Plan, for

which the Company or any member of its Controlled Group has any liability and (ii) the term "**Multiemployer Plan**" means a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA;

(oo) There are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other similar payment in connection with this offering;

(pp) The Company has taken all necessary actions to ensure that it is in compliance with all provisions of the Sarbanes-Oxley Act with which the Company is required to comply as of the Applicable Time, and the Company is actively taking steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act that will become applicable to the Company subsequent to the Applicable Time;

(qq) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Pricing Prospectus or the Prospectus has been made or reaffirmed by the Company without a reasonable basis or has been disclosed by the Company other than in good faith; and

(rr) There is no debt of, or guaranteed by, the Company or any of its subsidiaries that is rated by a "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $[_____], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [_____] Optional Shares, at the purchase price per share set

forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representatives of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to the Representatives, through the facilities of the Depository Trust Company ("**DTC**"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance. The Company will cause the certificates, if any, representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [_____], 2017 or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by the Representatives in the written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "**First Time of Delivery**," such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "**Second Time of Delivery**," and each such time and date for delivery is herein called a "**Time of Delivery**."

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the

Underwriters pursuant to Section 8(j) hereof, will be delivered at the offices of Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, California 94304 (the "**Closing Location**"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "**New York Business Day**" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to file promptly all materials required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus relating to the Shares or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction where not otherwise required or subject itself to taxation in any such jurisdiction in which it was not otherwise subject to taxation;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such later time as may be agreed to by the Company and the Representatives) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer (whose names and addresses the Underwriters shall furnish to the Company in connection with any such request) in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable (which may be satisfied by filing with the Commission's Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**")), but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) (1) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "**Lock-Up Period**"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Act

relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives; provided, however, that the foregoing restrictions shall not apply to:

(a) the Shares to be sold hereunder,

(b) the issuance by the Company of shares of Stock, including upon the exercise or settlement of options or restricted stock units or the conversion of convertible securities or the exchange of exchangeable securities, in each case pursuant to the Company's equity plans that are described in the Pricing Prospectus,

(c) the entry into an agreement providing for the issuance by the Company of shares of Stock or any security convertible into or exercisable for shares of Stock in connection with the acquisition by the Company or any of its subsidiaries of the securities, businesses, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, or the issuance of any such securities pursuant to any such agreement,

(d) the entry into any agreement providing for the issuance of shares of Stock or any security convertible into or exercisable for shares of Stock in connection with joint ventures, commercial relationships or other strategic transactions, and the issuance of any such securities pursuant to any such agreement, or

(e) the shares of Stock currently reserved for issuance to or for the benefit of Tipping Point Community, a charitable organization, as described in the Pricing Prospectus;

provided, that in the case of clauses (c) and (d), the number of shares of Stock that the Company may sell or issue or agree to sell or issue pursuant to such clauses shall not exceed, in the aggregate, 10% of the total number of shares of Stock issued and outstanding immediately following the First Time of Delivery; and provided further that in the case of clauses (b) through (e), (1) the Company shall cause each recipient of such securities to execute and deliver to you, on or prior to the issuance of such securities, a lock-up letter on substantially the same terms as the lock-up letter referred to in Section 8(h), and (2) the Company shall enter stop transfer instructions with the Company's transfer agent and registrar on such securities until the expiration of the Lock-Up Period;

(e) (2) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 8(h) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver (indicating the effective date of such release or waiver in such notice to the Company), the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex I hereto through a major news service at least two business days before the effective date of the release or waiver.

(f) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; provided that no reports, documents or other information need to be furnished pursuant to this Section 5(f) to the extent that they are available on EDGAR;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); provided that no reports, documents or other information need to be furnished pursuant to this Section 5(g) to the extent that they are available on EDGAR;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list for quotation the Shares on NASDAQ;

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act; and

(l) Upon request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "**License**"); *provided*, *however*, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule II(a) hereto;

(b) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Section 5(d) Communications, other than Section 5(d) Communications with the prior consent of the Representatives with entities that are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Section 5(d) Writings, other than those distributed with the prior consent of the Representatives that are listed on Schedule II(b) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Section 5(d) Communications;

(c) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(d) Each Underwriter represents and agrees that any Section 5(d) Communications undertaken by it were with entities that represented themselves to be qualified institutional buyers as defined in Rule 144A under the Act or institutions that represented themselves to be accredited investors as defined in Rule 501(a) under the Act;

(e) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Section 5(d) Writing, any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Section 5(d) Writing would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Section 5(d) Writing or other document which will correct such conflict, statement or omission.

7. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses incurred in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, if any, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses incurred in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey, if any; (iv) all fees and expenses in connection with listing the Shares on NASDAQ; (v) the filing fees incident to, and the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates, if applicable; (vii) the cost and charges of any transfer agent or registrar; (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Shares, including without limitation, expenses associated with the production of road show slides, graphics and videos, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging

expenses of the representatives and officers of the Company and any such consultants, and the cost of aircraft and other transportation chartered in connection with the road show; provided, however, that the cost of any aircraft chartered in connection with the road show shall be paid 50% by the Company and 50% by the Underwriters; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section; provided, however, that the amount payable by the Company pursuant to subsection (iii) and the reasonable fees and disbursements of counsel to the Underwriters described in subsection (v) of this Section shall not exceed $30,000 in the aggregate. It is understood, however, that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Wilson Sonsini Goodrich & Rosati, P.C., counsel for the Underwriters, shall have furnished to you its written opinion, dated such Time of Delivery, in form and substance satisfactory to you, and such counsel shall have received such documents and information as it may reasonably request to enable it to pass upon such matters;

(c) Goodwin Procter LLP, counsel for the Company, shall have furnished to you its written opinion, dated such Time of Delivery, in the form set forth on Annex II hereto.

(d) (i) On the date of the Prospectus, (ii) immediately prior to the execution of this Agreement, (iii) on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Ernst & Young LLP shall have furnished to you a letter, dated the respective dates of delivery thereof, in the form set forth on Annex III hereto;

(e) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock (other than (A) as a result of the exercise or settlement (including any "net" or "cashless" exercises or settlements) of stock options, warrants or restricted stock units, as applicable, or the award of stock options, warrants or restricted stock units in the ordinary course of business or (B) the repurchase of unvested Stock by the Company upon termination of the holder's employment with the Company, in each case under (A) and (B) pursuant to the terms of the Company's equity plans that are described in the Pricing Prospectus or that are otherwise described in the Pricing Prospectus and subject to the terms of award or other agreements that have been filed as exhibits to the Registration Statement) or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Pricing Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(f) On or after the Applicable Time, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on NASDAQ; (iii) a general moratorium on commercial banking activities declared by either Federal authorities or New York or California State authorities or a material disruption in

commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in your judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(g) The Shares to be sold at such Time of Delivery shall have been duly listed for quotation on NASDAQ;

(h) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from the Company's officers and directors and substantially all of the other holders of the Company's securities, substantially in the form set forth in Annex IV hereto;

(i) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(j) The Company shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company satisfactory to you as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) of this Section and as to such other matters as you may reasonably request; and

(k) The Chief Financial Officer of the Company shall have furnished to you a certificate as to the accuracy of certain financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus, dated such Time of Delivery, in the form set forth in Annex V hereto.

9. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or any Section 5(d) Writing prepared or authorized by the Company (or its employees or representatives), or arise out

of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any Section 5(d) Writing, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying

party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and

opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 9 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares that it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of

Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares that remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason (other than those set forth in clauses (i), (iii), (iv) and (v) of Section 8(f)), any Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through you for all documented out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the Representatives at Goldman, Sachs & Co., 200 West Street, New York, New York 10282-2198, Attention: Registration Department and J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Equity Syndicate Desk; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: General Counsel; *provided*, *however*, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term “business day” shall mean any day when the Commission’s office in Washington, D.C. is open for business.

16. The Company acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm’s-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

18. **THIS AGREEMENT AND ANY MATTERS RELATED TO THIS TRANSACTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAWS OF THE STATE OF NEW YORK. The Company agrees that any suit or proceeding arising in respect of this agreement or our engagement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company agrees to submit to the jurisdiction of, and to venue in, such courts.**

19. The Company and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

21. Notwithstanding anything herein to the contrary, the Company is authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

[signature page follows]

Very truly yours,

Okta, Inc.

By: _____
Name: William E. Losch
Title: Chief Financial Officer

Accepted as of the date hereof:

Goldman, Sachs & Co.

By: _____
Name:
Title:

J.P. Morgan Securities LLC

By: _____
Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
J.P. Morgan Securities LLC		
Allen & Company LLC		
Pacific Crest Securities, a division of KeyBanc Capital Markets Inc.		
Canaccord Genuity Inc.		
JMP Securities LLC		
Total		

SCHEDULE II

(a) IssuerFree Writing Prospectuses not included in the Pricing Disclosure Package:

[None.]

(b) Section5(d) Writings:

[None.]

(c) Informationother than the Pricing Prospectus that comprise the Pricing Disclosure Package:

- The initial public offering price per Share is $[_____].
- The number of Shares purchased by the Underwriters is [_____].
- [Add any other pricing disclosure]

ANNEX I

Form of Press Release

Okta, Inc.
[Date]

Okta, Inc. (the "**Company**") announced today that Goldman, Sachs & Co. and J.P. Morgan Securities LLC, the lead book-running managers in the Company's recent public sale of [_____] shares of [Class A] common stock, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company's [Class A] common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

ANNEX IV

Form of Lock-Up Agreement

Okta, Inc.

_____, 2017

Goldman, Sachs & Co.
J.P. Morgan Securities LLC

c/o Goldman, Sachs & Co.
200 West Street
New York, NY 10282-2198

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10017

Re: Okta, Inc. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as representatives (the "**Representatives**"), propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the "**Underwriters**"), with Okta, Inc., a Delaware corporation (the "**Company**"), providing for a public offering (the "**Offering**") of shares of common stock of the Company (the "**Shares**"), pursuant to a Registration Statement on Form S-1 (the "**Registration Statement**") to be filed with the Securities and Exchange Commission (the "**SEC**"). As used herein, the term "**Common Stock**" means all shares of common stock of the Company, including all series of common stock, if more than one.

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date of this Lock-Up Agreement and continuing to and including the date 180 days after the date set forth on the final prospectus (the "**Prospectus**") used to sell the Shares (the "**Lock-Up Period**"), the undersigned will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock, whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively the "**Undersigned's Securities**"), other than Shares sold pursuant to the Underwriting Agreement, if any, or as otherwise provided herein. The foregoing restriction is expressly agreed to preclude the undersigned

from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned's Securities even if such securities would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned's Securities or with respect to any security that includes, relates to, or derives any significant part of its value from such securities. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the Offering.

If the undersigned is an officer or director of the Company, (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Representatives will notify the Company of the impending release or waiver, and (ii) the Company has agreed (or will agree) in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may (a) transfer the Undersigned's Securities:

(i) acquired in open market transactions on or after the date set forth on the final prospectus used to sell the Shares;

(ii) as a bona fide gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein;

(iii) (A) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to any beneficiary (including such beneficiary's estate) of the undersigned, provided that the trustee of the trust or such beneficiary agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value or (B) in any transaction not involving a change in beneficial ownership;

(iv) if the undersigned is a corporation, partnership, limited liability company, trust, or other business entity (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned, in each case without

consideration or (B) as part of a distribution, transfer or disposition without consideration by the undersigned to its stockholders, partners, members, beneficiaries or other equity holders, provided that in the case of any transfer contemplated in (A) or (B) above, it shall be a condition to the transfer that (x) each transferee agrees to be bound in writing by the restrictions set forth herein and (y) there shall be no further transfer of such securities except in accordance with this Lock-Up Agreement;

(v) by will or intestate succession upon the death of the undersigned, provided that the transferee agrees to be bound in writing by the restrictions set forth herein;

(vi) to the Company (and not to any third party) in connection with (A) the "net" or "cashless" exercise of stock options or warrants that would otherwise expire during the Lock-Up period or (B) the settlement of restricted stock units, in each case pursuant to an employee benefit plan disclosed in the Registration Statement and the Prospectus (and any transfer of shares to, or retention of shares by, the Company necessary to generate such amount of cash needed for the payment of taxes due as a result of such exercise, in the case of options or warrants, or settlement, in the case of restricted stock units), provided that any such shares of Common Stock received upon such exercise or settlement shall be subject to the terms of this Lock-Up Agreement;

(vii) to the Company in connection with the repurchase of shares of Common Stock issued pursuant to an employee benefit plan disclosed in the Registration Statement and Prospectus under which the Company has the option to repurchase such shares at the lower of cost or fair market value in connection with the termination of employment or service of the undersigned with the Company;

(viii) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control (as defined below) of the Company, provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Undersigned's Securities shall remain subject to the provisions of this Lock-Up Agreement;

(ix) in connection with the conversion of the outstanding preferred stock of the Company into shares of Common Stock of the Company, or any reclassification or conversion of the Company's Common Stock (including into shares of Class B common stock in the event that the Company implements a dual class structure), provided that any such shares of Common Stock received upon such conversion or reclassification shall be subject to the terms of this Lock-Up Agreement;

(x) by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement, provided that each such transferee agrees to be bound in writing by the restrictions set forth herein; or

(b) enter into a written plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), relating to the transfer, sale or other disposition of the Undersigned's Securities (a "**Trading Plan**"), provided that (i) such Trading Plan does not provide for the transfer, sale or other disposition of securities during the Lock-Up Period and (ii) no public disclosure of the entry into such a Trading Plan shall be required or shall be voluntarily made by any person until after the expiration of the Lock-Up Period.

In addition, (x) it shall be a condition to any transfer permitted by clause (a) above that any filing under Section 16(a) of the Exchange Act or any other public filing or disclosure of such transfer by or on behalf of the undersigned shall clearly indicate in the footnotes thereto the nature and conditions of such transfer and (y) with respect to clauses (a)(i) through (a)(v) above, it shall be a further condition to such transfer that no filing under Section 16(a) of the Exchange Act nor any other public filing or disclosure of such transfer by or on behalf of the undersigned, reporting a reduction in beneficial ownership, shall be required or voluntarily made during the Lock-Up Period (other than, with respect to clauses (a)(ii) through (a)(v) only, any required Form 5 filings).

For purposes of this Lock-Up Agreement, "**immediate family**" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. For purposes of this Lock-Up Agreement, "**Change of Control**" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an Underwriter pursuant to the Offering), of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity).

The undersigned now has, and, except as contemplated by clauses (a) and (b) above, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned's Securities, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Undersigned's Securities except in compliance with the foregoing restrictions.

Notwithstanding anything to the contrary contained herein, this Lock-Up Agreement will automatically terminate and the undersigned will be released from all of his, her or its obligations hereunder upon the earliest to occur, if any, of (i) prior to the execution of the Underwriting Agreement, the Company, on the one hand, or either Goldman, Sachs & Co. or J.P. Morgan Securities LLC, on the other hand, advise in writing that they have determined not to proceed with the Offering, (ii) the Company files an application to withdraw the Registration Statement on Form S-1 related to the Offering, (iii) the Underwriting Agreement is executed but is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the Shares to be sold thereunder, or (iv)

July 31, 2017, in the event that the Underwriting Agreement has not been executed by such date; *provided, however*, that the Company may, by written notice to the undersigned prior to such date, extend such date for a period of up to three additional months.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

Very truly yours,

IF AN INDIVIDUAL:

By: _____
(duly authorized signature)

Name: _____
(please print full name)

IF AN ENTITY:

_____
(please print complete name of entity)

By: _____
(duly authorized signature)

Name: _____
(please print full name)

Title: _____
(please print full title)

RESTATED CERTIFICATE OF INCORPORATION
OF
OKTA, INC.

**(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)**

OKTA, INC., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"),

DOES HEREBY CERTIFY:

FIRST: That the name of this corporation is Okta, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on March 12, 2010 under the name Okta, Inc.

SECOND: That the Board of Directors of this corporation (the "Board") duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Restated Certificate of Incorporation of this corporation be amended and restated in its entirety as follows:

ARTICLE I

The name of this corporation is Okta, Inc.

ARTICLE II

The address of the registered office of this corporation in the State of Delaware is 3500 South DuPont Highway, in the City of Dover, County of Kent, 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

ARTICLE IV

A. Authorization of Stock. This corporation is authorized to issue two (2) classes of stock to be designated, respectively, common stock and preferred stock. The total number of shares that this corporation is authorized to issue is 167,284,582. The total number of shares of common stock authorized to be issued is 107,790,000 par value $0.0001 per share (the "Common Stock"). The total number of shares of preferred stock authorized to be issued is 59,494,582, par value $0.0001 per share (the "Preferred Stock"), 14,210,789 of which shares are designated as "Series A Preferred Stock," 12,015,123 of which shares are designated as "Series B Preferred Stock," 10,708,782 of which shares are designated as "Series C Preferred Stock," 6,833,654 of which shares are designated as "Series D Preferred Stock," 9,484,234 of which shares are designated as "Series E Preferred Stock," and 6,242,000 of which shares are designated as "Series F Preferred Stock."

B. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock are as set forth below in this Article IV(B).

1. Dividend Provisions.

(a) The holders of shares of Preferred Stock shall be entitled to receive, on a pari passu basis, dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock of this corporation, at the applicable Dividend Rate (as defined below), payable when, as and if declared by the Board. Such dividends shall not be cumulative. The holders of the outstanding series of Preferred Stock can waive any dividend preference that such holders shall be entitled to receive under this Section 1 upon the affirmative vote or written consent of the holders of a majority of the shares of such series Preferred Stock then outstanding. For purposes of this subsection 1(a), "Dividend Rate" shall mean $0.064 per annum for each share of Series A Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof), $0.11 per annum for each share of Series B Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof), $0.187 per annum for each share of Series C Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof), $0.322 per annum for each share of Series D Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof), $0.633 per annum for each share of Series E Preferred Stock (as adjusted for any stock splits, stock

dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof), and $0.961 per annum for each share of Series F Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such shares effected after the date hereof).

(b) After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of Common Stock and Preferred Stock in proportion to the number of shares of Common Stock that would be held by each such holder if all shares of Preferred Stock were converted to Common Stock at the then effective conversion rate.

2. Liquidation Preference.

(a) (i) In the event of any Liquidation Event (as defined below), either voluntary or involuntary, the holders of Preferred Stock shall be entitled to receive, prior and in preference to any distribution of the proceeds of such Liquidation Event (the "Proceeds") to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of the applicable Original Issue Price (as defined below) for such series of Preferred Stock, plus declared but unpaid dividends on such share, if any. If, upon the occurrence of such event, the Proceeds thus distributed among the holders of the Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire Proceeds legally available for distribution shall be distributed ratably among the holders of the Preferred Stock in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (a)(i).

(ii) For purposes of this Restated Certificate of Incorporation (the "Restated Certificate of Incorporation"), "Original Issue Price" shall mean $0.8003 per share for each share of the Series A Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof), shall mean $1.3766 per share for each share of the Series B Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof), shall mean $2.3345 per share for each share of the Series C Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof), shall mean $4.0242 per share for each share of the Series D Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof), shall mean $7.9079 per share for each share of the Series E Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof), and shall mean $12.0155 per share for each share of the Series F Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock effected after the date hereof).

(b) Upon completion of the distributions required by subsection (a) of this Section 2, all of the remaining Proceeds available for distribution to stockholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each.

(c) Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to a Liquidation Event, each such holder of shares of a series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series into shares of Common Stock immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(d) (i) For purposes of this Section 2, a "Liquidation Event" shall include (A) the closing of the sale, transfer or other disposition of all or substantially all of this corporation's assets, (B) the consummation of the merger or consolidation of this corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of this corporation immediately prior to such merger or consolidation continue to hold at least fifty percent (50%) of the voting power of the capital stock of this corporation or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one (1) transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of this corporation's securities), of this corporation's securities if, after such closing, such person or group of affiliated persons would hold fifty percent (50%) or more of the outstanding voting stock of this corporation (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of this corporation; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the state of this corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held this corporation's securities immediately prior to such transaction.

(ii) In any Liquidation Event, if Proceeds received by this corporation or its stockholders are other than cash, their value will be deemed their fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as determined in good faith by the Board.

(C) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Event shall, upon approval by the stockholders of the definitive agreements governing a Liquidation Event, be superseded by any determination of such value set forth in the definitive agreements governing such Liquidation Event.

(iii) In the event the requirements of this Section 2 are not complied with, this corporation shall forthwith either:

(A) cause the closing of such Liquidation Event to be postponed until such time as the requirements of this Section 2 have been complied with; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(d)(iv) hereof.

(iv) This corporation shall give each holder of record of Preferred Stock written notice of such impending Liquidation Event not later than twenty (20) days prior to the stockholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and this corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after this corporation has given the first notice provided for herein or sooner than ten (10) days after this corporation has given notice of any material changes provided for herein; provided, however, that subject to compliance with the General Corporation Law such periods may be shortened or waived upon the written consent of the holders of Preferred Stock that represent a majority of the voting power of all then outstanding shares of such Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

3. No Redemption. The Preferred Stock is not redeemable at the option of the holder thereof.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price for such series by the applicable Conversion Price for such series (the conversion rate for a series of Preferred Stock into Common Stock is referred to herein as the "Conversion Rate" for such series), determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price per share for each series of Preferred Stock shall be the Original Issue Price applicable to such series; provided, however, that the Conversion Price for the Preferred Stock shall be subject to adjustment as set forth in subsection 4(d).

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate at the time in effect for such series of Preferred Stock immediately upon the earlier of (i) this corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 or Form SB-2 under the Securities Act of 1933, as amended, in which the aggregate gross proceeds of the public offering to this corporation was not less than $50,000,000 (a "Qualified Public Offering") or (ii) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to voluntarily convert the same into shares of Common Stock, he or she shall surrender the certificate or certificates therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Preferred Stock, and shall give written notice to this corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid along with payment for all declared but unpaid dividends and payment for any fractional shares on the shares so converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. If the conversion is in connection with automatic conversion provisions of Section 4(b)(ii) above, such conversion shall

be deemed to have been made on the conversion date described in the stockholder consent approving such conversion, and the persons entitled to receive shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock as of such date.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) If this corporation shall issue, on or after the date upon which this Restated Certificate of Incorporation is accepted for filing by the Secretary of State of the State of Delaware (the "Filing Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price applicable to a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by this corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock. For purposes of this Section 4(d)(i)(A), the term "Common Stock Outstanding" shall mean and include the following: (1) outstanding Common Stock, (2) Common Stock issuable upon conversion of outstanding Preferred Stock, (3) Common Stock issuable upon exercise of outstanding stock options and (4) Common Stock issuable upon exercise (and, in the case of warrants to purchase Preferred Stock, conversion) of outstanding warrants. Shares described in (1) through (4) above shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable.

(B) No adjustment of the Conversion Price for the Preferred Stock shall be made in an amount less than one cent ($0.01) per share. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Additional Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Additional Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined by the Board irrespective of any accounting treatment.

(E) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for purposes of determining the number of shares of Additional Stock issued and the consideration paid therefor:

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)), if any, received by this corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by this corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by this corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, the Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable

securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Additional Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 4(d)(i)(E)) by this corporation on or after the Filing Date) other than:

(A) Common Stock issued pursuant to a transaction described in subsection 4(d)(iii) hereof;

(B) Common Stock issued to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Board;

(C) Common Stock issued pursuant to a Qualified Public Offering;

(D) Common Stock issued pursuant to the conversion or exercise of convertible or exercisable securities outstanding on the Filing Date;

(E) Common Stock issued in connection with a bona fide business acquisition by this corporation, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise; provided that such issuances are approved by the Board, including at least one (1) of the Preferred Directors;

(F) Common Stock issued or deemed issued pursuant to subsection 4(d)(i)(E) as a result of a decrease in the Conversion Price of any series of Preferred Stock resulting from the operation of Section 4(d);

(G) Common Stock issued or issuable upon conversion of the outstanding shares of Preferred Stock;

(H) Common Stock issued pursuant to any equipment leasing arrangement or debt financing arrangement, which arrangement is approved by the Board, including at least one (1) of the Preferred Directors, and is primarily for non-equity financing purposes;

(I) Common Stock issued as a bona fide gift to any charitable organization described in Section 501(c)(3) of the Internal Revenue Code, provided such issuances are approved by the Board, including at least one (1) of the Preferred Directors, and are for non-equity financing purposes;

(J) Common Stock issued pursuant to the conversion of any shares of Series F Preferred Stock issued pursuant to Section 1.3 of the Series F Preferred Stock Purchase Agreement dated on or about the Filing Date; and

(K) Common Stock issued to persons or entities with which this corporation has business relationships, provided such issuances are approved by the Board, including at least one (1) of the Preferred Directors, and are primarily for non-equity financing purposes.

(iii) In the event this corporation should at any time or from time to time after the Filing Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subsection 4(d)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event this corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(iii), then, in each such case for the purpose of this subsection 4(e), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of this corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or in Section 2) provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to

receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of this corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(g) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock and the aggregate number of shares of Common Stock to be issued to particular stockholders, shall be rounded down to the nearest whole share and this corporation shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Stock pursuant to this Section 4, this corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of a share of Preferred Stock.

(h) Notices of Record Date. In the event of any taking by this corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, this corporation shall mail to each holder of Preferred Stock, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution, and the amount and character of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, in addition to such

other remedies as shall be available to the holder of such Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate of Incorporation.

(j) Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance only by, with respect to the Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock, the consent or vote of the holders of a majority of the outstanding shares of such series of Preferred Stock and, with respect to the Series B Preferred Stock, the consent or vote of the holders of at least sixty-five percent (65%) of the outstanding shares of such series of Preferred Stock. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

5. Voting Rights.

(a) General Voting Rights. The holder of each share of Preferred Stock shall have the right to one (1) vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the Bylaws of this corporation, and, except as provided by law or in subsection 5(b) below with respect to the election of directors by the separate class vote of the holders of Common Stock, shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half (0.5) being rounded upward).

(b) Voting for the Election of Directors. As long as at least twenty percent (20%) of the shares of Series A Preferred Stock originally issued remain outstanding, the holders of shares of Series A Preferred Stock shall be entitled to elect two (2) directors of this corporation (the "Series A Directors") at any election of directors. As long as at least twenty percent (20%) of the shares of Series E Preferred Stock originally issued remain outstanding, the holders of shares of Series E Preferred Stock shall be entitled to elect one (1) director of this corporation (the "Series E Director, and together with the Series A Directors, the "Preferred Directors") at any election of directors. The holders of outstanding Common Stock shall be entitled to elect two (2) directors of this corporation at any election of directors. The holders of Preferred Stock and Common Stock (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of this corporation.

Notwithstanding the provisions of Sections 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Restated Certificate of Incorporation, and vacancies created by removal or resignation of a director, may be filled by (i) a majority of the directors then in office, though less than a quorum, or by a sole remaining director or (ii) the required vote of holders of the shares of such series or class of stock specified in subsection 5(b) above that are entitled to elect such director, unless the vacancy is due to the removal of a director, in which case the vacancy can only be filled by the stockholders, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. Any director may be removed during his or her term of office, either with or without cause, by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled only by the required vote of holders of the shares of such series or class of stock specified in subsection 5(b) above that are entitled to elect such director.

6. Protective Provisions. So long as at least twenty percent (20%) of the shares of Preferred Stock originally issued in any Series remain outstanding, this corporation shall not (by amendment, merger, consolidation, recapitalization, reorganization or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Preferred Stock, voting as a single class on an as-converted to Common Stock basis:

(a) enter into or consummate any transaction or series of related transactions which would be deemed to be a Liquidation Event;

(b) amend, alter or repeal any provision of this Restated Certificate of Incorporation or the Bylaws of this corporation;

(c) alter or change the rights, preferences, privileges or powers of, or restrictions provided for the benefit of the Preferred Stock or any series thereof;

(d) increase or decrease (other than by conversion) the total number of authorized shares of Preferred Stock (or any series thereof) or Common Stock;

(e) authorize or issue, or obligate itself to issue, any equity security (including any other security convertible into or exercisable for any such equity security) having a preference over, or being on a parity with, any series of Preferred Stock with respect to dividends, liquidation, voting, conversion or redemption;

(f) reclassify any outstanding shares of capital stock of this corporation into any shares having a preference over, or being on a parity with, any series of Preferred Stock with respect to dividends, liquidation, voting, conversion or redemption;

(g) increase the number of shares issuable pursuant to any existing stock plan or stock option plan or adopt any new stock plan or stock option plan;

(h) redeem, purchase or otherwise acquire, or declare or pay any dividend on (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which this corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal; or

(i) increase or decrease the authorized number of directors of this corporation.

7. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by this corporation. This Restated Certificate of Incorporation shall be appropriately amended to effect the corresponding reduction in this corporation's authorized capital stock.

8. Notices. Any notice required by the provisions of this Article IV(B) to be given to the holders of shares of Preferred Stock shall be deemed given (a) if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of this corporation, (b) if such notice is provided by electronic transmission in a manner permitted by Section 232 of the General Corporation Law, or (c) if such notice is provided in another manner then permitted by the General Corporation Law.

C. Common Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Article IV(C).

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board, out of any assets of this corporation legally available therefor, any dividends as may be declared from time to time by the Board.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of this corporation, the assets of this corporation shall be distributed as provided in Section 2 of Article IV(B) hereof.

3. No Redemption. The Common Stock is not redeemable at the option of the holder thereof.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one (1) vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of this corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

ARTICLE V

Except as otherwise provided in this Restated Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of this corporation.

ARTICLE VI

The number of directors of this corporation shall be determined in the manner set forth in the Bylaws of this corporation, subject to the stockholder protective provisions set forth in Article IV(B), Section 6 above.

ARTICLE VII

Elections of directors need not be by written ballot unless the stockholder demands election by ballot at a stockholders' meeting and before the voting begins or unless the Bylaws of this corporation shall so provide.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of this corporation may provide. The books of this corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws of this corporation.

ARTICLE IX

A director of this corporation shall not be personally liable to this corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to this corporation or its stockholders, (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the General Corporation Law, or (d) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law is amended after approval by the stockholders of this Article IX to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any amendment, repeal or modification of the foregoing provisions of this Article IX by the stockholders of this corporation shall not adversely affect any right or protection of a director of this corporation existing at the time of, or increase the liability of any director of this corporation with respect to any acts or omissions of such director occurring prior to, such amendment, repeal or modification.

ARTICLE X

This corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XI

To the fullest extent permitted by applicable law, this corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers, employees and agents of this corporation (and any other persons to which General Corporation Law permits this corporation to provide indemnification) through Bylaw provisions, agreements with such persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law, subject only to limits created by applicable General Corporation Law (statutory or non-statutory), with respect to actions for breach of duty to this corporation, its stockholders, and others.

Any amendment, repeal or modification of the foregoing provisions of this Article XI shall not adversely affect any right or protection of a director, officer, agent, or other person existing at the time of, or increase the liability of any director of this corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

ARTICLE XII

To the extent one or more sections of any other state corporations code setting forth minimum requirements for the corporation's retained earnings and/or net assets are applicable to this corporation's repurchase of shares of Common Stock, such code sections shall not apply, to the greatest extent permitted by applicable law, in whole or in part with respect to repurchases by this corporation of its Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which this corporation has the right to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment. In the case of any such repurchases, distributions by this corporation may be made without regard to the "preferential dividends arrears amount" or any "preferential rights amount," as such terms may be defined in such other state's corporations code.

ARTICLE XIII

This corporation renounces any interest or expectancy of this corporation in, or in being offered an opportunity to participate in, or in being informed about, an Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of this corporation who is not an employee of this corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any affiliate, partner, member, director, stockholder, employee, agent or other related person of any such holder, other than someone who is an

employee of this corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of this corporation.

* * *

THIRD: The foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

FOURTH: That said Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 31st day of July, 2015.

/s/ Todd McKinnon

Todd McKinnon, President

CERTIFICATE OF AMENDMENT
OF THE
RESTATED CERTIFICATE OF INCORPORATION
OF
OKTA, INC.

Pursuant to Section 242
of the General Corporation Law of
the State of Delaware

Okta, Inc. (hereinafter called the "Company"), organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

By unanimous written consent of the Board of Directors of the Company a resolution was duly adopted, pursuant to Section 242 of the General Corporation Law of the State of Delaware, setting forth an amendment to the Restated Certificate of Incorporation of the Company and declaring said amendment to be advisable. The stockholders of the Company duly approved said proposed amendment by written consent in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware. The resolution setting forth the amendment is as follows:

RESOLVED: That Article IV(A) of the Restated Certificate of Incorporation of the Company be and hereby is deleted in its entirety and the following Article IV(A) is inserted in lieu thereof:

A. Authorization of Stock. This corporation is authorized to issue two (2) classes of stock to be designated, respectively, common stock and preferred stock. The total number of shares that this corporation is authorized to issue is 179,494,582. The total number of shares of common stock authorized to be issued is 120,000,000 par value $0.0001 per share (the "Common Stock"). The total number of shares of preferred stock authorized to be issued is 59,494,582, par value $0.0001 per share (the "Preferred Stock"), 14,210,789 of which shares are designated as "Series A Preferred Stock," 12,015,123 of which shares are designated as "Series B Preferred Stock," 10,708,782 of which shares are designated as "Series C Preferred Stock," 6,833,654 of which shares are designated as "Series D Preferred Stock," 9,484,234 of which shares are designated as "Series E Preferred Stock," and 6,242,000 of which shares are designated as "Series F Preferred Stock."

IN WITNESS WHEREOF, the Company has caused this Certificate of Amendment to be executed by its President this 14th day of June, 2016.

OKTA, INC.

By: /s/ Todd McKinnon
Name: Todd McKinnon
Title: President

OKTA, INC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

Okta, Inc. (the "**Corporation**"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

A. The Corporation was originally incorporated under the name of Okta, Inc., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on March 12, 2010.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "**DGCL**"), and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the DGCL.

C. The Amended Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I

The name of the Corporation is Okta, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 3500 South DuPont Highway, City of Dover, County of Kent 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

A. Classes of Stock. The total number of shares of capital stock that the Corporation shall have authority to issue is 1,220,000,000, consisting of the following: 1,000,000,000 shares of Class A Common Stock, par value $0.0001 per share ("**Class A Common Stock**"), 120,000,000 shares of Class B Common Stock, par value $0.0001 per share ("**Class B Common Stock**"), and 100,000,000 shares of undesignated Preferred Stock, par value $0.0001 per share ("**Preferred Stock**").

Immediately upon the acceptance of this Amended and Restated Certificate of Incorporation for filing by the Secretary of State of the State of Delaware (the "**Effective Time**"), each share of the Corporation's capital stock issued and outstanding or held as treasury stock immediately prior to the Effective Time, shall, automatically and without further action by any stockholder, be reclassified as, and shall become, one share of Class B Common Stock.

B. Rights of Preferred Stock. The Board of Directors of the Corporation (the "**Board of Directors**") is authorized, subject to any limitations prescribed by law but to the fullest extent permitted by law, to provide by resolution for the designation and issuance of shares of Preferred Stock in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, (which may include, without limitation, full, limited or no voting powers), preferences, and relative, participating, optional or other rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and to file a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "**Preferred Stock Designation**"), setting forth such resolution or resolutions.

C. Vote to Increase or Decrease Authorized Shares of Preferred Stock. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate class vote of the holders of Preferred Stock, or any separate series votes of any series thereof, unless a vote of any such holders is required pursuant to the terms of any Preferred Stock Designation.

D. Rights of Class A Common Stock and Class B Common Stock. The relative powers, rights, qualifications, limitations and restrictions granted to or imposed on the shares of Class A Common Stock and Class B Common Stock are as follows:

1. Voting Rights.

(a) General Right to Vote Together; Exception. Except as otherwise expressly provided herein or required by applicable law, the holders of Class A Common Stock and Class B Common Stock shall vote together as one class on all matters submitted to a vote of the stockholders; *provided, however*, subject to the terms of any Preferred Stock Designation, the number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation entitled to vote.

(b) Votes Per Share. Except as otherwise expressly provided herein or required by applicable law, on any matter that is submitted to a vote of the stockholders, each holder of Class A Common Stock shall be entitled to one (1) vote for each such share, and each holder of Class B Common Stock shall be entitled to ten (10) votes for each such share.

2. Identical Rights. Except as otherwise expressly provided herein or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters, including, without limitation:

(a) Dividends and Distributions. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any Distribution paid or distributed by the Corporation, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class; *provided*, *however*, that in the event a Distribution is paid in the form of Class A Common Stock or Class B Common Stock (or Rights to acquire such stock), then holders of Class A Common Stock shall receive Class A Common Stock (or Rights to acquire such stock, as the case may be) and holders of Class B Common Stock shall receive Class B Common Stock (or Rights to acquire such stock, as the case may be).

(b) Subdivision or Combination. If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock or Class B Common Stock, the outstanding shares of the other such class will be subdivided or combined in the same proportion and manner, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

(c) Equal Treatment in a Change of Control or any Merger Transaction. In connection with any Change of Control Transaction, shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Corporation, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a

majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class. Any merger or consolidation of the Corporation with or into any other entity, which is not a Change of Control Transaction, shall require approval by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class, unless (i) the shares of Class A Common Stock and Class B Common Stock remain outstanding and no other consideration is received in respect thereof or (ii) such shares are converted on a pro rata basis into shares of the surviving or parent entity in such transaction having identical rights to the shares of Class A Common Stock and Class B Common Stock, respectively.

3. Conversion of Class B Common Stock.

(a) Voluntary Conversion. Each one (1) share of Class B Common Stock shall be convertible into one (1) share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the transfer agent of the Corporation.

(b) Automatic Conversion. Shares of Class B Common Stock shall automatically, without any further action, convert into an equal number of shares of Class A Common Stock upon the earlier of:

(i) a Transfer of such share; *provided* that no such automatic conversion shall occur in the case of a Transfer by a Class B Stockholder, for tax or estate planning purposes, to any of the persons or entities listed in clauses (A) through (E) below (each, a "**Permitted Transferee**") and from any such Permitted Transferee back to such Class B Stockholder and/or any other Permitted Transferee established by or for such Class B Stockholder:

(A) a family member of such Class B Stockholder, which shall include with respect to any natural person who is a Class B Stockholder, the spouse, domestic partner, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Class B Stockholder; and *provided, further*, that lineal descendants shall include adopted persons, but only so long as they are adopted during minority;

(B) a trust for the benefit of such Class B Stockholder or persons other than the Class B Stockholder so long as the Class B Stockholder and/or family members of such Class B Stockholder have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided* such Transfer does not involve any payment of cash, securities, property or other consideration to the Class B Stockholder (other than as a settlor or beneficiary of such trust) and, *provided, further*, that in the event such Class B Stockholder and/or family members of such Class B Stockholder no longer have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(C) a trust under the terms of which such Class B Stockholder has retained a "qualified interest" within the meaning of §2702(b)(1) of the Internal Revenue Code (or successor provision) and/or a reversionary interest so long as the Class B Stockholder and/or family members of such Class B Stockholder have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided, however*, that in the event such Class B Stockholder and/or family members of such Class B Stockholder no longer have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(D) an Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code (or successor provision), or a pension, profit sharing,

stock bonus or other type of plan or trust of which such Class B Stockholder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 of the Internal Revenue Code; *provided* that in each case such Class B Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held in such account, plan or trust, and *provided*, *further*, that in the event the Class B Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such account, plan or trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(E) a corporation, partnership or limited liability company in which such Class B Stockholder and/or family members of such Class B Stockholder directly, or indirectly through one or more Permitted Transferees, own shares, partnership interests or membership interests, as applicable, with sufficient Voting Control in the corporation, partnership or limited liability company, as applicable, or otherwise have legally enforceable rights, such that the Class B Stockholder and/or family members of such Class B Stockholder retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company; *provided, however*, that in the event the Class B Stockholder and/or family members of such Class B Stockholder no longer own sufficient shares, partnership interests or membership interests, as applicable, or no longer has sufficient legally enforceable rights to ensure the Class B Stockholder and/or family members of such Class B Stockholder retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company, as applicable, each share of Class B Common Stock then held by such corporation, partnership or limited liability company, as applicable, shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock; and

(ii) the date specified by a written notice and certification request of the Corporation to the holder of such share of Class B Common Stock requesting a certification, in a form satisfactory to the Corporation, verifying such holder's ownership of Class B Common Stock and confirming that a conversion to Class A Common Stock has not occurred, which date shall not be less than sixty (60) calendar days after the date of such notice and certification request; *provided* that no such automatic conversion pursuant to this subsection (ii) shall occur in the case of a Class B Stockholder or its Permitted Transferees that furnishes a certification satisfactory to the Corporation prior to the specified date.

(c) Conversion Upon Death or Incapacity of a Class B Stockholder.

(i) Each share of Class B Common Stock held of record by a Class B Stockholder who is a natural person, or by such Class B Stockholder's Permitted Transferees, shall automatically, without any further action, convert into one (1) fully paid and nonassessable share of Class A Common Stock upon the death or Incapacity of such Class B Stockholder.

(d) Automatic Conversion of all Outstanding Class B Common Stock. Each one (1) share of Class B Common Stock shall automatically, without any further action, convert into one (1) share of Class A Common Stock upon the date specified by affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the outstanding shares of Class B Common Stock, voting as a single class.

(e) Final Conversion of Class B Common Stock. On the Final Conversion Date, each one (1) outstanding share of Class B Common Stock shall automatically, without any further action, convert into one (1) share of Class A Common Stock. Following such conversion, the reissuance of all shares of Class B Common Stock shall be prohibited, and such shares shall be retired and cancelled in accordance with Section 243 of the DGCL and the filing by the Secretary of State of the State of Delaware required thereby, and upon such retirement and cancellation, all references to Class B Common Stock in this Amended and Restated Certificate of Incorporation shall be eliminated.

(f) Procedures. The Corporation may, from time to time, establish such policies and procedures relating to the conversion of Class B Common Stock to Class A Common Stock and the general administration of this dual class stock structure, including the issuance of stock certificates (or the establishment of book-entry positions) with respect thereto, as it may deem reasonably necessary or advisable, and may from time to time request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not occurred. A determination by the Secretary of the Corporation that a Transfer results in a conversion to Class A Common Stock shall be conclusive and binding.

(g) Immediate Effect. In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section D.3 or upon the Final Conversion Date, such conversion(s) shall be deemed to have been made at the time that the Transfer of shares occurred or immediately upon the Final Conversion Date, as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease and the person or persons in whose names or names the certificate or certificates (or book-entry position(s)) representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section D.3 shall be retired and may not be reissued.

(h) Reservation of Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

E. No Further Issuances. Except for the issuance of Class B Common Stock issuable upon exercise of Rights outstanding at the Effective Time or a dividend payable in accordance with Article IV, Section D.2(a), the Corporation shall not at any time after the Effective Time issue any additional shares of Class B Common Stock, unless such issuance is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock. After the Final Conversion Date, the Corporation shall not issue any additional shares of Class B Common Stock.

ARTICLE V

The following terms, where capitalized in this Amended and Restated Certificate of Incorporation, shall have the meanings ascribed to them in this Article V:

"**Change of Control Share Issuance**" means the issuance by the Corporation, in a transaction or series of related transactions, of voting securities representing more than two percent (2%) of the total voting power (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share) of the Corporation before such issuance to any person or persons acting as a group as contemplated in Rule 13d-5(b) under the Exchange Act (or any successor provision) that immediately prior to such transaction or series of related transactions held fifty percent (50%) or less of the total voting power of the Corporation (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share), such that, immediately following such transaction or series of related transactions, such person or group of persons would hold more than fifty percent (50%) of the total voting power of the Corporation (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share).

"**Change of Control Transaction**" means (i) the sale, lease, exclusive license, exchange, or other disposition (other than liens and encumbrances created in the ordinary course of business, including liens or encumbrances to secure indebtedness for borrowed money that are approved by the Corporation's Board of Directors, so long as no foreclosure occurs in respect of any such lien or encumbrance) of all or substantially all of the Corporation's property and assets (which shall for such purpose include the property and assets of any direct or indirect subsidiary of the Corporation), *provided that* any sale, lease, exclusive license, exchange or other disposition of property or assets exclusively between or among the Corporation and any direct or indirect subsidiary or subsidiaries of the Corporation shall not be deemed a "**Change of Control Transaction**"; (ii) the merger,

consolidation, business combination, or other similar transaction of the Corporation with any other entity, other than a merger, consolidation, business combination, or other similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation *and* more than fifty percent (50%) of the total number of outstanding shares of the Corporation's capital stock, in each case as outstanding immediately after such merger, consolidation, business combination, or other similar transaction, and the stockholders of the Corporation immediately prior to the merger, consolidation, business combination, or other similar transaction own voting securities of the Corporation, the surviving entity or its parent immediately following the merger, consolidation, business combination, or other similar transaction in substantially the same proportions (vis a vis each other) as such stockholders owned the voting securities of the Corporation immediately prior to the transaction; (iii) a recapitalization, liquidation, dissolution, or other similar transaction involving the Corporation, other than a recapitalization, liquidation, dissolution, or other similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation *and* more than fifty percent (50%) of the total number of outstanding shares of the Corporation's capital stock, in each case as outstanding immediately after such recapitalization, liquidation, dissolution or other similar transaction, and the stockholders of the Corporation immediately prior to the recapitalization, liquidation, dissolution or other similar transaction own voting securities of the Corporation, the surviving entity or its parent immediately following the recapitalization, liquidation, dissolution or other similar transaction in substantially the same proportions (vis a vis each other) as such stockholders owned the voting securities of the Corporation immediately prior to the transaction; and (iv) any Change of Control Share Issuance.

"**Class B Stockholder**" means (i) the registered holder of a share of Class B Common Stock at the Effective Time and (ii) the registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the Effective Time.

"**Distribution**" means (i) any dividend or distribution of cash, property or shares of the Corporation's capital stock; and (ii) any distribution following or in connection with any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Final Conversion Date**" means 5:00 p.m. in New York City, New York on the first Trading Day falling on or after the tenth (10th) year anniversary of the Effective Time.

"**Incapacity**" shall mean that such holder is incapable of managing his or her financial affairs under the criteria set forth in the applicable probate code that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as determined by a licensed medical practitioner. In the event of a dispute regarding whether a Class B Stockholder has suffered an Incapacity, no Incapacity of such holder will be deemed to have occurred unless and until an affirmative ruling regarding such Incapacity has been made by a court of competent jurisdiction.

"**Rights**" means any option, warrant, restricted stock unit, conversion right or contractual right of any kind to acquire shares of the Corporation's authorized but unissued capital stock.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securities Exchange**" means, at any time, the registered national securities exchange on which the Corporation's equity securities are then principally listed or traded, which shall be the New York Stock Exchange or NASDAQ Global Market (or similar national quotation system of the NASDAQ Stock Market) ("**NASDAQ**") or any successor exchange of either the New York Stock Exchange or NASDAQ.

"**Trading Day**" means any day on which the Securities Exchange is open for trading.

"**Transfer**" of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A "**Transfer**" shall also include, without limitation, (i) a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership) or (ii) the transfer of, or entering into a binding agreement with respect to, Voting Control over a share of Class B Common Stock by proxy or otherwise; *provided*, *however*, that the following shall not be considered a "**Transfer**": (a) the grant of a proxy to officers or directors of the Corporation at the request of the Board of Directors of the Corporation in connection with actions to be taken at an annual or special meeting of stockholders; (b) the pledge of shares of Class B Common Stock by a Class B Stockholder that creates a mere security interest in such shares pursuant to a *bona fide* loan or indebtedness transaction so long as the Class B Stockholder continues to exercise Voting Control over such pledged shares; *provided*, *however*, that a foreclosure on such shares of Class B Common Stock or other similar action by the pledge shall constitute a "**Transfer**"; or (c) the fact that, as of the Effective Time or at any time after the Effective Time, the spouse of any Class B Stockholder possesses or obtains an interest in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a "**Transfer**" of such shares of Class B Common Stock.

"**Voting Control**" with respect to a share of Class B Common Stock means the exclusive power (whether directly or indirectly) to vote or direct the voting of such share of Class B Common Stock by proxy, voting agreement, or otherwise.

ARTICLE VI

A. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

B. Number of Directors; Election. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of the Board of Directors. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director of the Corporation shall hold office until the expiration of the term for which he or she is elected and until his or her successor has been duly elected and qualified or until his or her earlier resignation, death or removal.

C. Classified Board Structure. From and after the Effective Time, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the directors of the Corporation shall be divided into three (3) classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The Board of Directors may assign members of the Board of Directors already in office to such classes at the time such classification becomes effective. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of stockholders following the Effective Time, the term of office of the initial Class II directors shall expire at the second annual meeting of stockholders following the Effective Time and the term of office of the initial Class III directors shall expire at the third annual meeting of stockholders following the Effective Time. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Time, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified.

Notwithstanding the foregoing provisions of this Article VI, each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation, or removal. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors is hereafter changed, any newly created directorships or decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. Removal; Vacancies. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, for so long as the board of directors is divided into classes pursuant to Article VI Section C, any director may be removed from office by the stockholders of the Corporation only for cause. Vacancies occurring on the Board of Directors for any reason and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director, at any meeting of the Board of Directors. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be duly elected and qualified.

ARTICLE VII

A. Written Ballot. Elections of directors need not be by written ballot unless the Bylaws of the Corporation (the "**Bylaws**") shall so provide.

B. Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

C. Special Meetings. Special meetings of the stockholders may be called only by (i) the Board of Directors pursuant to a resolution adopted by a majority of the Board of Directors; (ii) the chairman of the Board of Directors; or (iii) the chief executive officer of the Corporation.

D. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of the stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent.

E. No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of directors.

ARTICLE VIII

To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of any fiduciary duties as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of the Corporation's Amended Certificate of Incorporation inconsistent with this Article VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any cause of action, suit or proceeding accruing or arising or that, but for this Article VIII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX

Subject to any provisions in the Bylaws of the Corporation related to indemnification of directors or officers of the Corporation, the Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

A right to indemnification or to advancement of expenses arising under a provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation shall not be eliminated or impaired by an amendment to this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE X

If any provision of this Amended and Restated Certificate of Incorporation becomes or is declared on any ground by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Amended and Restated Certificate of Incorporation, and the court will replace such illegal, void or unenforceable provision of this Amended and Restated Certificate of Incorporation with a valid and enforceable provision that most accurately reflects the Corporation's intent, in order to achieve, to the maximum extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Amended and Restated Certificate of Incorporation shall be enforceable in accordance with its terms.

Except as provided in ARTICLE VIII and ARTICLE IX above, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of this Corporation required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision of this Amended and Restated Certificate of Incorporation inconsistent with, ARTICLE VI, ARTICLE VII, ARTICLE VIII, ARTICLE IX or this ARTICLE X.

* * *

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been signed on behalf of the Corporation by its duly authorized officer effective this _____ day of _____, 2017.

OKTA, INC.

By: /s/ Todd McKinnon
Todd McKinnon
Chief Executive Officer

BYLAWS OF

OKTA, INC.

(A DELAWARE CORPORATION)

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BYLAWS
OF
OKTA, INC.

ARTICLE I
OFFICES

1.1 **Registered Office**. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

1.2 **Offices**. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 **Location**. All meetings of the stockholders for the election of directors shall be held in the City of San Francisco, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing**. Annual meetings of stockholders, commencing with the year 2010, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting**. Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders' Records**. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably

accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 **Special Meetings**. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 **Notice of Meeting**. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 **Business Transacted at Special Meeting**. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 **Quorum; Meeting Adjournment; Presence by Remote Means**.

(a) *Quorum; Meeting Adjournment.* The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means*. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 **Voting Thresholds**. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 **Number of Votes Per Share**. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 **Action by Written Consent of Stockholders; Electronic Consent; Notice of Action**.

(a) *Action by Written Consent of Stockholders*. Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent. A* telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action.* Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III
DIRECTORS

3.1 **Authorized Directors**. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies**. Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of

the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office,

3.3 **Board Authority**. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 **Location of Meetings**. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 **First Meeting**. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 **Regular Meetings**. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 **Special Meetings**. Special meetings of the Board of Directors may be called by the president upon notice to each director; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of

Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 **Quorum**. At all meetings of the Board of Directors a majority of the sitting directors shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 **Action Without a Meeting**. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 **Telephonic Meetings**. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 **Committees**. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings**. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors**. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors**. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

4.1 **Notice**. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice**. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 **Electronic Notice**.

(a) *Electronic Transmission.* Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (l)the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice.* Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a

number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission.* For purposes of these bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE V
OFFICERS

5.1 **Required and Permitted Officers**. The officers of the corporation shall be chosen by the Board of Directors and shall be a president, treasurer and a secretary, The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 **Appointment of Required Officers**. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 **Appointment of Permitted Officers**. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation**. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies**. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides**. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law,

5.7 **Absence of Chairman**. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law.

THE PRESIDENT AND VICE-PRESIDENTS

5.8 **Powers of President**. The president shall be the chief executive officer of the corporation; in the absence of the Chairman and Vice-Chairman of the Board he or she shall preside at all meetings of the stockholders and the Board of Directors; he or she shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **President's Signature Authority**. The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

5.10 **Absence of President**. In the absence of the president or in the event of his inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.11 **Duties of Secretary**. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

5.12 **Duties of Assistant Secretary**. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if

there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.13 **Duties of Treasurer**. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.14 **Disbursements and Financial Reports**. **He or she** shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

5.15 **Treasurer's Bond**. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

5.16 **Duties of Assistant Treasurer**. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by, the Chairman or Vice-Chairman of the Board of Directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 **Facsimile Signatures**. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 **Lost Certificates**. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 **Transfer of Stock**. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 **Fixing a Record Date**. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

7.1 **Dividends**. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 **Reserve for Dividends**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 **Checks**. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal**. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification**. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed

exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

7.7 **Conflicts with Certificate of Incorporation**. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE X
RECORDS AND REPORTS

10.1 The application and requirements of Section 1501 of the California General Corporation Law are hereby expressly waived to the fullest extent permitted thereunder.

CERTIFICATE OF SECRETARY OF

OKTA, INC.

The undersigned. Frederic Kerrest, hereby certifies that he is the duly elected and acting Secretary of OKTA, INC., a Delaware corporation (the "Corporation"), and that the Bylaws attached hereto constitute the Bylaws of said Corporation as duly adopted by Action by Written Consent in Lieu of Organizational Meeting by the Directors on April 9, 2010.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his name this 9th day of April, 2010.

/s/ J. Frederic Kerrest

J. Frederic Kerrest, Secretary

AMENDED AND RESTATED BYLAWS

OF

OKTA, INC.

(effective as of the closing of the corporation's initial public offering)

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ARTICLE I

CORPORATE OFFICES

1.1 Registered Office. The registered office of Okta, Inc. shall be fixed in the corporation's certificate of incorporation, as the same may be amended from time to time.

1.2 Other Offices. The corporation's board of directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 Place of Meetings. Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the corporation's principal executive office.

2.2 Annual Meeting. The annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The board of directors may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

2.3 Special Meeting.

(i) A special meeting of the stockholders, other than those required by statute, may be called at any time by (A) the board of directors, (B) the chairperson of the board of directors or (C) the chief executive officer, but a special meeting may not be called by any other person or persons. The board of directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors, chairperson of the board of directors or chief executive officer. Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 Advance Notice Procedures.

(i) Advance Notice of Stockholder Business. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the corporation's proxy materials with respect to such meeting, (B) by or at the direction of the board of directors, or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. For the avoidance of doubt, except for proposals properly made in accordance with Rule 14a-8 under the Securities and Exchange Act of 1934, as amended, or any successor thereto (the "**1934 Act**"), and the regulations thereunder (or any successor rule and in any case as so amended), clause (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the corporation not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment, rescheduling or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described in this Section 2.4(i)(a). "**Public Announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service, in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act, or made via a Tweet from a verified account operated by the corporation (e.g., @Okta).

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (2) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below), (3) the class and number of shares of the corporation that are held of record or are beneficially owned by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any

Stockholder Associated Person, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, (5) any material interest of the stockholder or a Stockholder Associated Person in such business, and (6) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares required under applicable law to carry the proposal (such information provided and statements made as required by clauses (1) through (6), a "**Business Solicitation Statement**"). In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented not later than ten days following the record date for the determination of stockholders entitled to notice of the meeting to disclose the information contained in clauses (3) and (4) above as of the record date. For purposes of this Section 2.4, a "**Stockholder Associated Person**" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

(c) Without exception, no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) Advance Notice of Director Nominations at Annual Meetings. Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election to the board of directors of the corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in

this Section 2.4(ii). In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the corporation at the principal executive offices of the corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above; *provided additionally, however*, that in the event that the number of directors to be elected to the board of directors is increased and there is no Public Announcement naming all of the nominees for director or specifying the size of the increased board made by the corporation at least ten days before the last day a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, a stockholder's notice required by this Section 2.4(ii) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the secretary of the corporation at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such Public Announcement is first made by the corporation.

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "**nominee**") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between or among any of the stockholder, each nominee and/or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or relating to the nominee's potential service on the board of directors, (F) a written statement executed by the nominee acknowledging that as a director of the corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (5) of Section 2.4(i)(b) above, and the supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for

purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders at least the percentage of the corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a "**Nominee Solicitation Statement**").

(c) At the request of the board of directors, any person nominated by a stockholder for election as a director must furnish to the secretary of the corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii) Advance Notice of Director Nominations for Special Meetings.

(a) For a special meeting of stockholders at which directors are to be elected pursuant to Section 2.3, nominations of persons for election to the board of directors shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii) and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice. A person shall not be eligible for election or re-election as a director at a

special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.

(b) The chairperson of the special meeting shall, if the facts warrant, determine and declare at the meeting that a nomination or business was not made in accordance with the procedures prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the meeting, and the defective nomination or business shall be disregarded.

(iv) Other Requirements and Rights. In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4, including, with respect to business such stockholder intends to bring before the annual meeting that involves a proposal that such stockholder requests to be included in the corporation's proxy statement, the requirements of Rule 14a-8 (or any successor provision) under the 1934 Act. Nothing in this Section 2.4 shall be deemed to affect any right of the corporation to omit a proposal from the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

2.5 Notice of Stockholders' Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 Quorum. The holders of a majority of the voting power of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders, unless otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the issued and outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

Whether or not a quorum is present at a meeting of stockholders, the chairperson of the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting.

2.7 Adjourned Meeting; Notice. When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 Conduct of Business. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, the chief executive officer (in the absence of the chairperson) or the lead independent director (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the corporation, shall serve as chairperson of the stockholder meeting.

2.9 Voting. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares, present in person or represented by proxy, at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, directors shall be elected by a plurality of the voting power of the shares, present in person or represented by proxy, at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of shares of such class or series or classes or series, present in person or represented by proxy, at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

2.10 No Stockholder Action By Written Consent Without A Meeting. Subject to the rights of the holders of the shares of any series of preferred stock or any other class of stock or series thereof that have been expressly granted the right to take action by written consent, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders.

2.11 Record Dates. In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy

that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A written proxy may be in the form of a telegram, cablegram, or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram, or other means of electronic transmission was authorized by the stockholder.

2.13 List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided*, *however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network; *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation's principal place of business. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.14 Inspectors of Election. Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy; *provided further* that, in any case, if no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint at least one (1) inspector to act at the meeting.

Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. Such inspectors shall:

(i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;

(ii) receive votes, ballots or consents;

(iii) hear and determine all challenges and questions in any way arising in connection with the right to vote;

(iv) count and tabulate all votes or consents;

(v) determine when the polls shall close;

(vi) determine the result; and

(vii) do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III

DIRECTORS

3.1 Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 Number of Directors. The board of directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the board of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election, Qualification and Term of Office Of Directors. Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

In accordance with the provisions of the certificate of incorporation, the directors of the corporation shall be divided into three classes.

3.4 Resignation and Vacancies. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned

upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. If the directors are divided into classes, a person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Delaware Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board of directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting power of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

3.5 Place of Meetings; Meetings By Telephone. The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 Regular Meetings. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

3.7 Special Meetings; Notice. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the secretary or a majority of the authorized number of directors, at such times and places as he or she or they shall designate.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting.

3.8 Quorum; Voting. At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 Board Action By Written Consent Without A Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic

form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 Fees and Compensation of Directors. Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 Removal of Directors. A director may be removed from office by the stockholders of the corporation only as provided in the certificate of incorporation.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV

COMMITTEES

4.1 Committees of Directors. The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation.

4.2 Committee Minutes. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

4.3 Meetings and Action of Committees. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 7.5 (waiver of notice); and

(vi) Section 3.9 (action without a meeting)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. However:

(i) the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the board of directors; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors or a committee may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 Subcommittees. Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V

OFFICERS

5.1 Officers. The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the board of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 Appointment of Officers. The board of directors shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 Subordinate Officers. The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 Removal and Resignation of Officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the board of directors at any regular or special meeting of the board of directors or, except in the case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 Vacancies In Offices. Any vacancy occurring in any office of the corporation shall be filled by the board of directors or as provided in Section 5.3.

5.6 Representation of Shares of Other Corporations. The chairperson of the board of directors, the president, any vice president, the treasurer, the secretary or assistant secretary of this corporation, or any other person authorized by the board of directors or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares or other equity interests of any other corporation or corporations or entity or entities standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 Authority and Duties of Officers. All officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the board of directors or the stockholders and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

ARTICLE VI

STOCK

6.1 Stock Certificates; Partly Paid Shares. The shares of the corporation shall be represented by certificates; *provided* that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated

shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson of the board of directors or vice-chairperson of the board of directors, or the president or a vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the corporation in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the corporation shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 Special Designation On Certificates. If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 151, 156, 202(a) or 218(a) of the DGCL or with respect to this Section 6.2 a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 Lost Certificates. Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 Dividends. The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock.

The board of directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

6.5 Transfer of Stock. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, subject to Section 6.3 of these bylaws, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

6.6 Stock Transfer Agreements. The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.7 Registered Stockholders. The corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

MANNER OF GIVING NOTICE AND WAIVER

7.1 Notice of Stockholders' Meetings. Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the corporation's records. An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or other agent of the corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 Notice By Electronic Transmission. Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if:

(i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply with respect to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 Notice To Stockholders Sharing An Address. Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 Notice To Person With Whom Communication Is Unlawful. Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII

FORUM FOR CERTAIN ACTIONS

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this bylaw.

ARTICLE IX

INDEMNIFICATION

9.1 Indemnification of Directors and Officers In Third Party Proceedings. Subject to the other provisions of this Article IX, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

9.2 Indemnification of Directors and Officers in Actions by or in the Right of the Corporation. Subject to the other provisions of this Article IX, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

9.3 Successful Defense. To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 9.1 or Section 9.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

9.4 Indemnification of Others. Subject to the other provisions of this Article IX, the corporation shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate to such person or persons as the board shall in its discretion determine the determination of whether employees or agents shall be indemnified.

9.5 Advance Payment of Expenses. Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article IX or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 9.6(ii) or 9.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

9.6 Limitation On Indemnification. Subject to the requirements in Section 9.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article IX in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 9.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law; *provided, however*, that if any provision or provisions of this Article IX shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article IX (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article IX (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

9.7 Determination; Claim. If a claim for indemnification or advancement of expenses under this Article IX is not paid in full within 60 days after receipt by the corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article IX, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

9.8 Non-Exclusivity of Rights. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

9.9 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

9.10 Survival. The rights to indemnification and advancement of expenses conferred by this Article IX shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

9.11 Effect of Repeal or Modification. A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

9.12 Certain Definitions. For purposes of this Article IX, references to the "**corporation**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article IX, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the corporation**" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the corporation**" as referred to in this Article IX.

ARTICLE X

GENERAL MATTERS

10.1 Execution of Corporate Contracts and Instruments. Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

10.2 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

10.3 Seal. The corporation may adopt a corporate seal, which may be altered by the board of directors. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

10.4 Construction; Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "**person**" includes both a corporation and a natural person.

ARTICLE XI

AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote; *provided*, *however*, that the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the total voting power of outstanding voting securities, voting together as a single class, shall be required for the stockholders of the corporation to alter, amend or repeal, or adopt any provision of these bylaws. The board of directors shall also have the power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

OKTA, INC.

CERTIFICATE OF AMENDMENT OF BYLAWS

The undersigned hereby certifies that he is the duly elected, qualified, and acting Secretary of Okta, Inc., a Delaware corporation and that the foregoing bylaws were amended and restated on _____, 2017 by the corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this _____ day of _____, 2017.

/s/ Jonathan T. Runyan
Jonathan T. Runyan, Secretary

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

CLASS A COMMON STOCK

PAR VALUE $0.0001

CLASS A COMMON STOCK

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number

ZQ00000000

Shares

OKTA, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

CUSIP XXXXXX XX X

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of

ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO

FULLY-PAID AND NON-ASSESSABLE SHARES OF CLASS A COMMON STOCK OF

Okta, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the Bylaws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME

President

OKTA, INC. SEAL March 12, 2010 DELAWARE

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

FACSIMILE SIGNATURE TO COME

Secretary

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

okta

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678901234

Certificate Numbers	Num/No.	Denom.	Total
12345678901234567890	1	1	1
12345678901234567890	2	2	2
12345678901234567890	3	3	3
12345678901234567890	4	4	4
12345678901234567890	5	5	5
12345678901234567890	6	6	6
Total Transaction			7

OKTA, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	-…..…….....…….. Custodian .....…… (Cust) (Minor) under Uniform Gifts to Minors Act ..... (State)
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	-…….....…… Custodian (until age.....) (Cust) .....under Uniform Transfers to Minors Act ..... (Minor) (State)

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____ Shares

of the Class A Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Incorporation with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTHING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

TEST

Exhibit 4.2

OKTA, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

July 31, 2015

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AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Agreement") is made as of July 31, 2015, by and among **OKTA, INC.**, a Delaware corporation (the "Company") and the investors listed on Schedule A hereto, each of which is herein referred to as an "Investor" and collectively as the "Investors.

RECITALS

WHEREAS, certain of the Investors (the "Existing Investors") hold shares of the Company's Series A Preferred Stock (the "Series A Preferred Stock"), Series B Preferred Stock (the "Series B Preferred Stock"), Series C Preferred Stock (the "Series C Preferred Stock"), Series D Preferred Stock (the "Series D Preferred Stock"), Series E Preferred Stock (the "Series E Preferred Stock") and/or shares of Common Stock issued upon conversion thereof and possess registration rights, information rights, rights of first offer and other rights pursuant to an Amended and Restated Investors' Rights Agreement dated as of May 23, 2014 by and among the Company and such Existing Investors (the "Prior Agreement");

WHEREAS, subject to certain exceptions, the Prior Agreement may be amended, and any provision therein waived, with the consent of the Company and the holders of a majority of the outstanding Registrable Securities (as such term is defined in the Prior Agreement);

WHEREAS, the Existing Investors as holders of a majority of the outstanding Registrable Securities (as such term is defined in the Prior Agreement) of the Company desire to terminate the Prior Agreement and to accept the rights created pursuant hereto in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain Investors are parties to the Series F Preferred Stock Purchase Agreement of even date herewith by and among the Company and certain of the Investors (the "Series F Agreement"), which provides that as a condition to the closing of the sale of the Series F Preferred Stock (the "Series F Preferred Stock" and collectively with the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, the "Preferred Stock"), this Agreement must be executed and delivered by such Investors, Existing Investors holding a majority of the outstanding Registrable Securities (as such term is defined in the Prior Agreement) of the Company, and the Company;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Existing Investors hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended.

(b) The term "Affiliate" means, with respect to any specified person, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person, including, without limitation, any general partner, officer, director or manager of such person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such person.

(c) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) The term "Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405 promulgated under the Act.

(e) The term "Holder" means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.11 hereof.

(f) The term "Initial Offering" means the Company's first firm commitment underwritten public offering of its Common Stock under the Act.

(g) The term "1934 Act" means the Securities Exchange Act of 1934, as amended.

(h) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(i) The term "Registrable Securities" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock and (ii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his rights under this Section 1 are not assigned. In addition, the number of shares of Registrable Securities outstanding shall equal the aggregate of the number of shares of Common Stock outstanding that are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

(j) The term "Restated Certificate" shall mean the Company's Restated Certificate of Incorporation, as amended and/or restated from time to time.

(k) The term "Rule 144" shall mean Rule 144 under the Act.

(l) The term "Rule 144(b)(1)(i)" shall mean subsection (b)(1)(i) of Rule 144 under the Act as it applies to persons who have held shares for more than one (1) year.

(m) The term "Rule 405" shall mean Rule 405 under the Act.

(n) The term "SEC" shall mean the Securities and Exchange Commission.

1.2 Request for Registration.

(a) Subject to the conditions of this Section 1.2, if the Company shall receive at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) six (6) months after the effective date of the Initial Offering, a written request from the Holders of twenty-five percent (25%) or more of the Registrable Securities then outstanding (for purposes of this Section 1.2, the "Initiating Holders") that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $15,000,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 1.2, use all commercially reasonable efforts to effect, as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company's notice pursuant to this Section 1.2(a).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2, and the Company shall include such information in the written notice referred to in Section 1.2(a). In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company (which underwriter or underwriters shall be reasonably acceptable to those Initiating Holders holding a majority of the Registrable Securities held by all Initiating Holders). Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). In no event shall any Registrable Securities be excluded from such underwriting unless all other securities are first excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 1.2:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected two (2) registrations pursuant to this Section 1.2, and such registrations have been declared or ordered effective; or

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of and ending on a date one hundred eighty (180) days following the effective date of a Company-initiated registration subject to Section 1.3 below, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 pursuant to Section 1.4 hereof; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

1.3 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than (i) a registration relating to a demand pursuant to Section 1.2 or (ii) a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 3.5, the Company shall, subject to the provisions of Section 1.3(c), use all commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.7 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In no event shall any Registrable Securities be excluded from such offering unless all other shareholders' securities have been first excluded. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the amount of securities of the selling Holders included in the offering be reduced below twenty-five percent (25%) of the total amount of securities included in such offering, unless such offering is the Initial Offering, in which case the selling Holders may be excluded if the underwriters make the determination described above and no other shareholder's securities are included in such offering. For purposes of the preceding sentence concerning apportionment, for any selling shareholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, retired partners and shareholders of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

1.4 Form S-3 Registration. In case the Company shall receive from the Holders of at least fifty percent (50%) of the Registrable Securities (for purposes of this Section 1.4, the "S-3 Initiating Holders") a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use all commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company, provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $10,000,000;

(iii) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 1.4 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the S-3 Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered);

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 pursuant to this Section 1.4;

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act;

(vi) if the Company, within thirty (30) days of receipt of the request of such S-3 Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the SEC within one hundred twenty (120) days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145), provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(vii) during the period starting with the date thirty (30) days prior to the Company's good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration subject to Section 1.3 above, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective.

(c) If the S-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.4 and the Company shall include such information in the written notice referred to in Section 1.4(a). The provisions of Section 1.2(b) shall be applicable to such request (with the substitution of Section 1.4 for references to Section 1.2).

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the S-3 Initiating Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as requests for registration effected pursuant to Section 1.2.

1.5 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the Registration Statement has been completed; provided, however, that (i) such 120-day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such 120-day period shall be extended for up to sixty (60) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(g) cause all such Registrable Securities registered pursuant to this Section 1 to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed;

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(i) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company’s officers, directors, employees, and independent

accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(j) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus or Free Writing Prospectus forming a part of such registration statement has been filed;

(k) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus or Free Writing Prospectus;

(l) use its commercially reasonable efforts to obtain for the underwriters one or more "cold comfort" letters, dated the effective date of the related registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters;

(m) use its commercially reasonable efforts to obtain for the underwriters on the date such securities are delivered to the underwriters for sale pursuant to such registration a legal opinion of the Company's outside counsel with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by legal opinions of such nature;

(n) to the extent the Company is a well-known seasoned issuer (as defined in SEC Rule 405) at the time any request for registration is submitted to the Company in accordance with Section 1.4, if so requested, file an Automatic Shelf Registration Statement (as such term is defined in Rule 405 promulgated under the Act) to effect such registration; and

(o) if at any time when the Company is required to re-evaluate its well-known seasoned issuer status for purposes of an outstanding Automatic Shelf Registration Statement used to effect a request for registration in accordance with Section 1.4 the Company determines that it is not a well-known seasoned issuer and (i) the registration statement is required to be kept effective in accordance with this Agreement and (ii) the registration rights of the applicable Holders have not terminated, use commercially reasonable efforts to promptly amend the registration statement on a form the Company is then eligible to use or file a new registration statement on such form, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement.

Notwithstanding the provisions of this Section 1, the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale

of any securities pursuant to such registration statement would in the good faith judgment of the Board of Directors of the Company:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board of Directors of the Company has authorized negotiations;

(ii) materially adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its shareholders; provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company's subsidiaries or affiliates).

In the event of the suspension of effectiveness of any registration statement pursuant to this Section 1.5, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

1.6 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

1.7 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 1.2, 1.3 and 1.4, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 or Section 1.4 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless, in the case of a registration requested under Section 1.2, the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2 and provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Sections 1.2 and 1.4.

1.8 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.9 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, directors and shareholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus, or Free Writing Prospectus contained therein or any amendments or supplements thereto, any issuer information (as defined in Rule 433 of the Act) filed or required to be filed pursuant to Rule 433(d) under the Act or any other document incident to such registration prepared by or on behalf of the Company or used or referred to by the Company, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, and the Company will reimburse each such Holder, underwriter, controlling person or other aforementioned person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling person or other aforementioned person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and

only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any person intended to be indemnified pursuant to this subsection l.9(b) for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that in no event shall any indemnity under this subsection l.9(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 1.9 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 1.9(b), shall exceed the net proceeds from the offering received by such Holder and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 1.9(d), when combined with the amounts paid or payable by such Holder pursuant to Section 1.9(b), exceed the proceeds from the offering received by such Holder (net of any expenses paid by such Holder). The relative fault of the

indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1 and otherwise.

1.10 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.11 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (a) is an Affiliate, subsidiary, parent, partner, limited partner, retired partner or shareholder of a Holder, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) after such assignment or transfer, holds at least 100,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization), provided: (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be

bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 1.13 below; and (iii) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

1.12 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders holding a majority of the Registrable Securities then held by all Holders, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include any of such securities in any registration filed under Section 1.2, Section 1.3 or Section 1.4 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) to demand registration of their securities.

1.13 "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (l80) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock held immediately prior to the effectiveness of the Registration Statement for such offering, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 1.13 shall apply only to the Company's initial offering of equity securities, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and greater than one percent (1%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third-party beneficiaries of this Section 1.13 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's Initial Offering that are consistent with this Section 1.13 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply to all Holders subject to such agreements pro rata based on the number of shares subject to such agreements.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. Notwithstanding the foregoing, if (i) during the last seventeen (17) days of the one hundred eighty (180)-day restricted period, the Company issues an earnings release or material news or a

material event relating to the Company occurs; or (ii) prior to the expiration of the one hundred eighty (180)-day restricted period, the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the one hundred eighty (180)-day period, the restrictions imposed by this Section 1.13 shall continue to apply until the expiration of the eighteen (18)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other person subject to the restriction contained in this Section 1.13):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

1.14 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 1 (a) after five (5) years following the consummation of the Initial Offering, or (b) as to any Holder, such earlier time after the Initial Offering at which such Holder can sell all shares held by it in any three (3) month period without registration in compliance with Rule 144.

2. Covenants of the Company.

2.1 Delivery of Financial Statements. The Company shall, upon request, deliver to each Investor (or transferee of an Investor) that holds at least 750,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization) (a "Major Investor"):

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of shareholders' equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and, upon such time as the Board of Directors determines that the Company's financial statements be audited, audited and certified by independent public accountants of nationally recognized standing selected by the Company; and

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited income statement, statement of cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP); and

(c) such other information relating to the financial condition, business or corporate affairs of the Company as the Major Investor may from time to time request, provided, however, that the Company shall not be obligated under this subsection (c) or any other subsection of Section 2.1 to provide information that (i) it deems in good faith to be a trade secret or similar confidential information or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

2.2 Inspection. The Company shall permit each Major Investor, at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information that it reasonably considers to be a trade secret or similar confidential information.

2.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate and be of no further force or effect upon the earlier to occur of (a) the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the firm commitment underwritten offering of its securities to the general public, (b) when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, whichever event shall first occur or (c) the consummation of a Liquidation Event, as that term is defined in the Restated Certificate.

2.4 Right of First Offer. Subject to the terms and conditions specified in this Section 2.4, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 2.4, the term "Major Investor" includes any general partners and affiliates of a Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted it among itself and its partners and Affiliates in such proportions as it deems appropriate.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, its capital stock ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 3.5 ("Notice") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within twenty (20) calendar days after the giving of Notice, each Major Investor may elect to purchase, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the

proportion that the number of shares of Common Stock that are Registrable Securities issued and held by such Major Investor (assuming full conversion and exercise of all convertible and exercisable securities then outstanding) bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding). The Company shall promptly, in writing, inform each Major Investor that elects to purchase all the shares available to it (a "Fully-Exercising Investor") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after such information is given, each Fully-Exercising Investor may elect to purchase that portion of the Shares for which Major Investors were entitled to subscribe, but which were not subscribed for by the Major Investors, that is equal to the proportion that the number of shares of Registrable Securities issued and held by such Fully-Exercising Investor bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding) held by the Full-Exercising Investors.

(c) If all Shares that Major Investors are entitled to obtain pursuant to subsection 2.4(b) are not elected to be obtained as provided in subsection 2.4(b) hereof, the Company may, during the ninety (90) day period following the expiration of the period provided in subsection 2.4(b) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 2.4 shall not be applicable to (i) shares of Common Stock (or options therefor) issued to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Company's Board of Directors; (ii) the issuance of securities pursuant to a bona fide, firmly underwritten public offering of shares of Common Stock pursuant to a registration statement under the Act resulting in proceeds to the Company of at least $30,000,000 in the aggregate, (iii) the issuance of securities pursuant to the conversion or exercise of convertible or exercisable securities, (iv) the issuance of securities in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise, provided that such issuances are approved by the Company's Board of Directors, including at least one of the Preferred Directors (as such term is defined in the Restated Certificate), (v) the issuance of stock, warrants or other securities or rights to persons or entities with which the Company has business relationships, provided such issuances are approved by the Company's Board of Directors, including at least one of the Preferred Directors (as such term is defined in the Restated Certificate), and are primarily for other than equity financing purposes, (vi) the issuance of securities pursuant to any equipment leasing arrangement or debt financing arrangement, which arrangement is approved by the Board of Directors, including at least one of the Preferred Directors (as such term is defined in the Restated Certificate), and is primarily for non-equity financing purposes, (vii) the issuance of stock, warrants or other securities as a bona fide gift to any charitable organization described in Section 501(c)(3) of the Internal Revenue Code, provided such issuances are approved by the Board, including at least one (1) of the Preferred Directors, and are for non-equity financing

purposes, or (viii) the issuance of Shares (as defined in the Series F Agreement), or any securities issued pursuant to the conversion thereof, issued pursuant to Section 1.3 of the Series F Agreement. In addition to the foregoing, the right of first offer in this Section 2.4 shall not be applicable with respect to any Major Investor in any subsequent offering of Shares if (i) at the time of such offering, the Major Investor is not an "accredited investor," as that term is then defined in Rule 501(a) of the Act and (ii) such offering of Shares is otherwise being offered only to accredited investors.

(e) The rights provided in this Section 2.4 may not be assigned or transferred by any Major Investor; provided, however, that a Major Investor that is a venture capital fund may assign or transfer such rights to its Affiliates.

2.5 Proprietary Information and Inventions Agreements. The Company shall require all employees and consultants with access to confidential information to execute and deliver a Proprietary Information and Inventions Agreement in substantially the form approved by the Company's Board of Directors.

2.6 Employee Agreements. Unless approved by the Board of Directors of the Company, all future employees of the Company who shall purchase, or receive options to purchase, shares of Common Stock following the date hereof shall be required to execute stock purchase or option agreements providing for (a) vesting of shares over a four (4) year period with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months thereafter and (b) a one hundred and eighty (180)-day lockup period (plus an additional period of up to eighteen (18) days) in connection with the Company's initial public offering. The Company shall retain a right of first refusal on transfers until the Company's initial public offering and the right to repurchase unvested shares at cost.

2.7 Insurance. The Company shall use commercially reasonable efforts to maintain Directors and Officers liability insurance from a financially sound and reputable insurer in such amount and on such terms as determined by the Company's Board of Directors, including at least one of the Preferred Directors (as such term is defined in the Restated Certificate), until such time as the Company's Board of Directors, including at least one of the Preferred Directors (as such term is defined in the Restated Certificate), determines that such insurance should be discontinued.

2.8 Observer Rights. As long as Khosla Ventures IV, L.P. and/or its affiliates ("Khosla") owns not less than 1,500,000 shares (appropriately adjusted for any stock split, dividend, combination or other recapitalization) of Series B Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), the Company shall invite a representative of Khosla to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and not to use or disclose any information so provided; and, provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such

information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or would result in disclosure of trade secrets to such representative or if such Investor or its representative is or is affiliated with a direct competitor of the Company.

2.9 FCPA; OFAC. The Company represents that it shall not, and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official, in each case, in violation of the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.K. Bribery Act (the "Bribery Act"), or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company is aware of the sanctions and requirements imposed by the U.S. Department of the Treasury's Office of Foreign Assets Control and European Union in response to the events in Ukraine, Crimea and Sevastopol (the "OFAC Requirements"). To its knowledge, the Company is in material compliance with the OFAC Requirements to the extent such sanctions are applicable to the Company's business as presently conducted.

2.10 Green Dot Corporation. The Company shall not enter into any banking or nonbanking transaction with Green Dot Corporation or any of its subsidiaries (Next Estate Communications and Bonneville Bancorp) without the prior written consent of Sequoia.

2.11 Investment; Acknowledgment. The Company acknowledges that the Investors and their affiliates, members, equity holders, director representatives, partners, employees, agents and other related persons are engaged in the business of investing in private and public companies in a wide range of industries, including the industry segment in which the Company operates (the "Company Industry Segment"). Accordingly, the Company and the Investors acknowledge and agree that a Covered Person shall:

(a) have no obligation or duty (contractual or otherwise) to the Company to refrain from participating as a director, investor or otherwise with respect to any company or other person or entity that is engaged in the Company Industry Segment or is otherwise competitive with the Company, and

(b) in connection with making investment decisions, to the fullest extent permitted by law, have no obligation or duty (contractual or otherwise) to the Company to refrain from using any information, including, but not limited to, market trend and market data, which comes into such Covered Person's possession, whether as a director, investor or otherwise (the "Information Waiver"); provided, that the Information Waiver shall not apply, and therefore

such Covered Person shall be subject to such obligations and duties as would otherwise apply to such Covered Person under applicable law; if the information at issue (i) constitutes material non-public information concerning the Company, or (ii) is covered by a contractual obligation of confidentiality to which the Company is subject.

Notwithstanding anything in this Section 2.11 to the contrary, nothing herein shall be construed as a waiver of any Covered Person's duty of loyalty or obligation of confidentiality with respect to the disclosure of confidential information of the Company.

For the purposes of this Section 2.11, "Covered Persons" shall have the meaning set forth in the Restated Certificate.

2.12 Termination of Covenants. The covenants set forth in Section 2 shall terminate and be of no further force or effect upon the consummation of (a) the Company's sale of its Common Stock or other securities pursuant to a registration statement under the Act (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a SEC Rule 145 transaction) resulting in proceeds to the Company of at least $30,000,000 in the aggregate (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a transaction under Rule 145 of the Act) or (b) a Liquidation Event, as that term is defined in the Restated Certificate.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

3.3 Counterparts; Facsimile. This Agreement may be executed and delivered by facsimile or electronic signature and in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if

not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 3.5).

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement (other than Section 2.1, Section 2.2, Section 2.3 and Section 2.4) may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investors holding a majority of the Registrable Securities; provided however that (a) the provisions of Section 2.1, Section 2.2, Section 2.3 and Section 2.4 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities that are held by all of the Major Investors and (b) Khosla's rights under Section 2.8 shall not be waived or amended without Khosla's written consent. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities, each future holder of all such Registrable Securities and the Company.

3.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

3.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities (including affiliated venture capital funds or venture capital funds under common investment management) or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.10 Additional Investors. Notwithstanding Section 3.7, no consent shall be necessary to add additional Investors as signatories to this Agreement, provided that such Investors have purchased Series F Preferred Stock pursuant to the subsequent closing provisions of Section 1.3 of the Series F Agreement.

3.11 Termination of Prior Agreement. Upon the effectiveness of this Agreement, the Prior Agreement shall terminate and be of no further force and effect, and shall be superseded and replaced in its entirety by this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

OKTA, INC.

By: /s/ Todd McKinnon
Name: Todd McKinnon
Title: President
Address: 301 Brannan Street, 1st Floor
San Francisco, CA 94107

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

KHOSLA VENTURES IV, L.P.

By: Khosla Ventures Associates IV, LLC, a Delaware limited liability company and general partner of Khosla Ventures IV, LP

By: /s/ David Weiden
Name: David Weiden
Title: Member

Address: 2128 Sand Hill Road
Menlo Park, CA 94025
Attn: Legal

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

KHOSLA VENTURES IV (CF), L.P.

By: Khosla Ventures Associates IV, LLC, a Delaware limited liability company and general partner of Khosla Ventures IV (CF), LP

By: /s/ David Weiden
Name: David Weiden
Title: Member

Address: 2128 Sand Hill Road
Menlo Park, CA 94025
Attn: Legal

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

GREYLOCK XIII LIMITED PARTNERSHIP

By: Greylock XIII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Name: Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XIII-A LIMITED PARTNERSHIP

By: Greylock XIII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Name: Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XIII PRINCIPALS LLC

By: Greylock Management Corporation, Sole Member

By: /s/ Donald A. Sullivan
Name: Donald A. Sullivan
Title: Administrative Partner

Address: 2550 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attn: Donald A. Sullivan

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

SEQUOIA CAPITAL U.S. GROWTH FUND VI, L.P.

SEQUOIA CAPITAL U.S. GROWTH VI PRINCIPALS FUND, L.P.

Each a Cayman Islands exempted limited partnership

By: SC U.S. GROWTH VI MANAGEMENT, L.P.
a Cayman Islands exempted limited partnership, General Partner of Each

By: SC US (TTGP), LTD.,
a Cayman Islands exempted company, its General Partner

By: /s/ Patrick Grady
Name: Patrick Grady
Title: Director

Address: 2800 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attn: Stephanie Wei

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

SC US GF V HOLDINGS, LTD.
a Cayman Islands exempted company

By: SEQUOIA CAPITAL U.S. GROWTH FUND V, L.P.
SEQUOIA CAPITAL USGF PRINCIPALS FUND V, L.P.
both Cayman Islands exempted limited partnerships, its Members

By: SCGF V MANAGEMENT, L.P.,
a Cayman Islands exempted limited partnership, its General Partner

By: SC US (TTGP), LTD.,
a Cayman Islands exempted company, its General Partner

By: /s/ Patrick Grady
Name: Patrick Grady
Title: Director

Address: 2800 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attn: Stephanie Wei

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

AH PARALLEL FUND IV, L.P.
for itself and as nominee for
AH Parallel Fund IV-A, L.P.,
AH Parallel Fund IV-B, L.P. and
AH Parallel Fund IV-Q, L.P.

By: AH Equity Partners IV (Parallel), L.L.C.
Its general partner

By: /s/ Ben Horowitz
Name: Ben Horowitz
Title: Managing Member

Address: 2865 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attn: Ryan Ward

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

ANDREESSEN HOROWITZ FUND I, L.P.
as nominee for
Andreessen Horowitz Fund I, L.P.
Andreessen Horowitz Fund I-A, L.P. and
Andreessen Horowitz Fund I-B, L.P.

By: AH Equity Partners I, L.L.C.
Its general partner

By: /s/ Ben Horowitz
Name: Ben Horowitz
Title: Managing Member

Address: 2865 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attn: Ryan Ward

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

ALTIMETER PRIVATE PARTNERS FUND I, L.P.

By: Altimeter Private General Partner, LLC
Its General Partner

By: /s/ John J. Kiernan III
Name: John J. Kiernan III
Title: Member

Address: One International Place, Suite 2400
Boston, MA 02110

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

GLYNN PARTNERS III, L.P.

By: Glynn Management III LLC
Its: General Partner

By: /s/ Scott Jordan
Name: Scott Jordan
Title: Managing Director

GLYNN PARTNERS IV, L.P.

By: Glynn Management IV, LLC
Its: General Partner

By: /s/ Scott Jordan
Name: Scott Jordan
Title: Managing Director

Address: Glynn Capital Management LLC
3000 Sand Hill Road, Bldg 3, 230
Menlo Park, CA 94025

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

H. BARTON CO-INVEST FUND II, LLC

By: H. Barton Asset Management, LLC
Its: Managing Member

By: /s/ Harris Barton
Name: Harris Barton
Title: Managing Member

Address: 2882 Sand Hill Road, Suite 241
Menlo Park, CA 94025

Mailing Address: c/o KLH & Associates
135 Main Street, 9th Floor
San Francisco, CA 94105

SCHEDULE A

SCHEDULE OF INVESTORS

Andreessen Horowitz Fund I, L.P.
Dharmesh Shah
Stephen Marcus
Edward Roberts, Trustee for the Edward B. Roberts Trust – 2003
Avid Larizadeh
Marc Kerrest
Jacques D. Kerrest and Sandra W. Kerrest TTEE Jacques & Sandra Kerrest Revocable Trust U/A DTD 05/09/1995
Thomas A. Berson and Dorothy A. Berson as Trustees of the Berson Living Trust UTA DTD 5/24/1983
Maynard and Irene Webb, Trustees for the Webb Family Trust u/a 6/03/95
G&H Partners
Maples Investments II, L.P.
Maples Associates II, L.P.
SV Angel LLC
Greylock XIII Limited Partnership
Greylock XIII-A Limited Partnership
Greylock XIII Principals LLC
Khosla Ventures IV, L.P.
Khosla Ventures IV (CF), LP
The David A. Duffield Trust
Allen & Company LLC
SC US GF V Holdings, Ltd.
Sequoia Capital U.S. Growth Fund VI, L.P.
Sequoia Capital U.S. Growth VI Principals Fund, L.P.
AH Parallel Fund IV, L.P., as nominee
H. Barton Co-Invest Fund II, LLC
Janus Global Technology Fund, a Series of Janus Investment Fund
Global Technology Portfolio, a Series of Janus Aspen Series
Altimeter Private Partners Fund I, L.P.
AME Cloud Ventures, LLC
Glynn Partners IV, L.P.
Glynn Partners III, L.P.

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITY LAWS OR, IN THE OPINION OF COUNSEL, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: OKTA, INC.
Number of Shares: 19,372, plus all Additional Shares which Holder is entitled to purchase pursuant to Section 1.7
Type/Series of Stock: Series B Preferred
Warrant Price: $2.0649 per share
Issue Date: November 22, 2011
Expiration Date: November 21, 2021 See also Section 5.1(b).
Credit Facility: This Warrant ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or any holder of any of the shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant, in whole or in part, by delivering to the principle office of the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) Holder would be able to publicly re-sell, within six (6) months following the closing of such Acquisition, all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition.

1.7 Additional Shares. Upon the funding of the first Loan (as defined in the Loan Agreement) under the Second Tranche (as defined in the Loan Agreement), the Company shall be deemed to have automatically granted to Holder, in addition to the number of Shares which this Warrant can otherwise be exercised for by Holder, the right to purchase that number of additional Shares, rounded upward to the nearest whole number, equal to $20,000 divided by the Warrant Price. In addition to the foregoing, upon the funding of each Loan (as defined in the Loan Agreement), the

Company shall be deemed to have automatically granted to Holder, in addition to the number of Shares which this Warrant can otherwise be exercised for by Holder, the right to purchase that number of additional Shares, rounded upward to the nearest whole number, equal to one percent (1%) of the amount of such Loan divided by the Warrant Price (all such additional shares under this Section 1.7 being called the "**Additional Shares**").

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company's convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder that during the term of this Warrant:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last issued in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and

experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.13 of the Investor Rights Agreement or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. This Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED _____, 2011, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER

SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HA 200
Santa Clara, CA 95054
Telephone: _____
Facsimile: _____
Email address: _____

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Okta, Inc.
Attn: President
400 2nd Street, Suite 350
San Francisco, CA 94107
Telephone: _____
Facsimile: _____
Email: _____

With a copy (which shall not constitute notice) to:

Goodwin Procter LLP
Attn: Anthony McCusker
135 Commonwealth Drive
Menlo Park, CA 94025
Telephone: _____
Facsimile: _____
Email: _____

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

OKTA, INC.

By: /s/ Todd McKinnon
Name: Todd McKinnon
(Print)
Title: President

"HOLDER"

SILICON VALLEY BANK

By: /s/ Jamie Riggs
Name: Jamie Riggs
(Print)
Title: Relationship Manager

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Common/Series _____ Preferred [circle one] Stock of OKTA, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

☐ check in the amount of $____ payable to order of the Company enclosed herewith

☐ Wire transfer of immediately available funds to the Company's account

☐ Cashless Exercise pursuant to Section 1.2 of the Warrant

☐ Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____
Name: _____
Title: _____
(Date): _____

Schedule 1

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE COMMON STOCK

Company:	OKTA, INC., a Delaware corporation
Number of Shares of Common Stock:	125,000 (the "**Initial Shares**"), plus all Additional Shares which Holder is entitled to purchase pursuant to Article 1.7.
Warrant Price:	$2.10 per share
Issue Date:	March 10, 2014
Expiration Date:	March 10, 2021 **See also Section** 5.1(b).
Credit Facility:	This Warrant to Purchase Common Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as the same may from time to time be amended, modified, supplemented or restated, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICONVALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated common stock (the "**Common Stock**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the

value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

X = Y(A-B)/A

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Common Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Common Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Common Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately

prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition. Notwithstanding the foregoing, a transaction (or series of transactions) shall not constitute an "Acquisition" if (i) its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately prior to such transaction or (ii) the sale of the Company's equity securities in a financing transaction for capital-raising purposes.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other

security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Additional Shares. In addition to the Initial Shares granted to Holder on the Issue Date, on the Funding Date of: (i) the first (1st) Tranche A Advance under the Loan Agreement, the Company shall be deemed to have automatically granted to Holder the right to purchase that number of additional Shares equal to 50,000 and (ii) the first (1st) Tranche B Advance under the Loan Agreement, the Company shall be deemed to have automatically granted to Holder the right to purchase that number of additional Shares equal to 25,000, each in addition to the number of Shares which this Warrant can otherwise be exercised for by Holder, at an exercise price per share equal to the Warrant Price (such additional Shares being called the "**Additional Shares**"). Capitalized terms used but not defined in this Section 1.7 shall have the meanings given to them in the Loan Agreement. For the avoidance of doubt, the maximum number of Shares that this Warrant can be exercisable (assuming each of the Tranche A Advance and the Tranche B Advance are funded) for is 200,000 (subject to adjustment pursuant to Section 2).

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Common Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Common Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Common Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Common Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Common Stock and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of Company Common Stock or options to purchase shares of Company Common Stock were issued immediately prior to the Issue Date hereof.

(b) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Common Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Common Stock will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of Common Stock will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the

extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.13 of the Amended and Restated Investors' Rights Agreement, dated August 6, 2013, by and between the Company and the Investors (as defined therein), as amended.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

> THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE COMMON STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED MARCH 10, 2014, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the

Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, California 95054
Telephone: (408) 654-7400
Facsimile: (408) 988-8317
Email address: derivatives@svb.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Okta, Inc.
Attn: Bill Losch
301 Brannan Street, 3rd Floor
San Francisco, California 94107
Telephone: _____
Email: _____

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

OKTA, INC.

By: /s/ William Losch
Name: William Losch
(Print)
Title: CFO

"HOLDER"

SILICON VALLEY BANK

By: /s/ Matthew Wright
Name: Matthew Wright
(Print)
Title: Director

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase shares of the Common Stock of _____ (the "**Company**") in accordance with the attached Warrant To Purchase Common Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

☐ check in the amount of $____ payable to order of the Company enclosed herewith

☐ Wire transfer of immediately available funds to the Company's account

☐ Cashless Exercise pursuant to Section 1.2 of the Warrant

☐ Other [Describe]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Common Stock as of the date hereof.

HOLDER:

_____

By: _____
Name: _____
Title: _____

(Date): _____

Exhibit 10.1

OKTA, INC.

Indemnification Agreement

This Indemnification Agreement ("Agreement") is made as of_____by and between Okta, Inc., a Delaware corporation (the "Company"), and_____("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to [**provide or continue to provide**] services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Certificate of Incorporation (the "Charter") and the Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will [**serve or continue to serve**] the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as [**a director and**] an officer of the Company. Indemnitee may at any time and for any reason resign from [**any**] such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any other Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former [**director or**] officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee, including without limitation, any subsidiary of the Company.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was [**a director or**] an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as [**a director or**] an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee

acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law;

(c) to indemnify for any reimbursement of, or payment to, the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to Section 304 of SOX or any formal policy of the Company adopted by the Board (or a committee thereof), or any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably

withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, by Independent Counsel in a written opinion to the Board; or (y) in any other case, (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification,

including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board; provided that, if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, the Independent Counsel shall be selected by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself

adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12,

absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy

or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [**both a director and**] an officer of the Company and any other Enterprise for which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to **[serve or continue to serve**] as [**a director and**] an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as [**a director and**] an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Okta, Inc.
301 Brannan Street, 1st Floor
San Francisco, CA 94107
Attention: General Counsel

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

OKTA, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

OKTA, INC.

2009 STOCK PLAN

ADOPTED ON OCTOBER 1, 2009
AMENDED ON FEBRUARY 11, 2010
AMENDED ON APRIL 9, 2010
AMENDED ON JULY 14, 2011
AMENDED ON APRIL 13, 2012
AMENDED ON DECEMBER 5, 2012
AMENDED ON AUGUST 6, 2013
AMENDED ON OCTOBER 9, 2013
AMENDED ON MAY 22, 2014
AMENDED ON DECEMBER 16, 2014
AMENDED ON MARCH 25, 2015
AMENDED ON AUGUST 25, 2015
AMENDED ON FEBRUARY 25, 2016
AMENDED ON JUNE 2, 2016
AMENDED ON DECEMBER 14, 2016
AMENDED ON FEBRUARY 20, 2017
AMENDED ON MARCH 6, 2017

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OKTA, INC. 2009 STOCK PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of the Plan is to offer selected persons an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under Section 422 of the Code.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) Committees of the Board of Directors. The Plan may be administered by one or more Committees. Each Committee shall consist of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) Authority of the Board of Directors. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Purchasers, all Optionees and all persons deriving their rights from a Purchaser or Optionee.

SECTION 3. ELIGIBILITY.

(a) General Rule. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Nonstatutory Options or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) Ten-Percent Stockholders. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Not more than 45,368,155 Shares may be issued under the Plan, subject to Subsection (b) below and Section 8(a).[1] All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) Additional Shares. In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Stock Grant or Purchase Agreement. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days after the grant of such right was communicated to the Purchaser by the Company. Such right shall not be transferable and shall be exercisable only by the Purchaser to whom such right was granted.

(c) Purchase Price. The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

(d) Withholding Taxes. As a condition to the award, purchase, vesting or transfer of Shares, the Grantee or Purchaser shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

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1 Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(e) Transfer Restrictions and Forfeiture Conditions. Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Grant Agreement or Stock Purchase Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Section 424(a) of the Code (whether or not the Option is an ISO).

(d) Exercisability. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the exercisability provisions of the Stock Option Agreement at its sole discretion. All of an Optionee's Options shall become exercisable in full if Section 8(b)(iv) applies.

(e) Basic Term. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) Termination of Service (Except by Death). If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection I above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

(g) Leaves of Absence. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(h) Death of Optionee. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection I above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

(i) Post-Exercise Restrictions on Transfer of Shares. Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(j) Pre-Exercise Restrictions on Transfer of Options or Shares. An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, a Nonstatutory Option shall also be transferable by gift or domestic relations order to a Family Member of the Optionee. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. In addition, an Option shall comply with all conditions of Rule 12h-1(f)(1) under the Exchange Act until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. Such conditions include, without limitation, the transferability restrictions set forth in Rule 12h-1(f)(1)(iv) and (v) under the Exchange Act, which shall apply to an Option and, prior to exercise, to the Shares to be issued upon exercise of such Option during the period commencing on the Date of Grant and ending on the earlier of (i) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) the date when the Company makes a determination that it will cease to rely on the exemption afforded by Rule 12h-1(f)(1) under the Exchange Act. During such period, an Option and, prior to exercise, the Shares to be issued upon exercise of such Option shall be restricted as to any pledge, hypothecation or other transfer by the Optionee, including any short position, any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act).

(k) Withholding Taxes. As a condition to the grant or exercise of an Option, the Optionee shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such grant or exercise. The Optionee shall also make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the vesting or transfer of Shares acquired by exercising an Option or any similar event.

(l) No Rights as a Stockholder. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(m) Modification, Extension and Assumption of Options. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options for the same or a different number of

Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

(n) Company's Right to Cancel Certain Options. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7.

(b) Services Rendered. At the discretion of the Board of Directors, Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(c) Promissory Note. At the discretion of the Board of Directors, all or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) Surrender of Stock. At the discretion of the Board of Directors, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) Exercise/Sale. To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) Other Forms of Payment. To the extent that a Stock Purchase Agreement or Stock Option Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

SECTION 8. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option and (iii) the Exercise Price under each outstanding Option. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

(b) Mergers and Consolidations. In the event that the Company is a party to a merger or consolidation, all Shares acquired under the Plan and all Options shall be subject to the agreement of merger or consolidation. Such agreement need not treat all Options in an identical manner, and it shall provide for one or more of the following with respect to each Option:

(i) The continuation of the Option by the Company (if the Company is the surviving corporation).

(ii) The assumption of the Option by the surviving corporation or its parent in a manner that complies with Section 424(a) of the Code (whether or not the Option is an ISO).

(iii) The substitution by the surviving corporation or its parent of a new option for the Option in a manner that complies with Section 424(a) of the Code (whether or not the Option is an ISO).

(iv) Full exercisability of the Option and full vesting of the Shares subject to the Option, followed by the cancellation of the Option. The full exercisability of the Option and full vesting of the Shares subject to the Option may be contingent on the closing of such merger or consolidation. The Optionee shall be able to exercise the Option during a period of not less than five full business days preceding the effective date of such merger or consolidation, unless (A) a shorter period is required to permit a timely closing of such merger or consolidation and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option. Any exercise of the Option during such period may be contingent on the closing of such merger or consolidation.

(v) The cancellation of the Option and a payment to the Optionee equal to the excess of (A) the Fair Market Value of the Shares subject to the Option as of the effective date of such merger or consolidation over (B) the Exercise Price of the Option. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Subject to Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates when the Option would have become exercisable or such Shares would have vested. The amount of such payment initially shall be calculated without regard to whether or not the Option is then exercisable or such Shares are then vested. However, such payment may be subject to vesting based on the Optionee's continuing Service, provided that the vesting schedule shall not be less favorable to the Optionee than the schedule under which the Option would have become exercisable or such Shares would have vested. In addition, any escrow, holdback, earnout or similar provisions in the agreement of merger or consolidation may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Shares. If the Exercise Price of the Shares subject to the Option exceeds the Fair Market Value of such Shares, then the Option may be cancelled without making a payment to the Optionee. For purposes of this Paragraph (v), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(c) Reservation of Rights. Except as provided in this Section 8, a Grantee, Purchaser or Optionee shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 9. PRE-EXERCISE INFORMATION REQUIREMENT.

(a) Application of Requirement. This Section 9 shall apply only during a period that (i) commences when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) under the Exchange Act, as determined by the Company in its sole discretion, and (ii) ends on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Company in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. In addition, this Section 9 shall in no event apply to an Optionee after he or she has fully exercised all of his or her Options.

(b) Scope of Requirement. The Company shall provide to each Optionee the information described in Rule 701I(3), (4) and (5) under the Securities Act. Such information shall be provided at six-month intervals, and the financial statements included in such information shall not be more than 180 days old. The foregoing notwithstanding, the Company shall not be required to provide such information unless the Optionee has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) Securities Law Requirements. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares that is attributable to such requirements.

(b) No Retention Rights. Nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Grantee, Purchaser or Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Grantee, Purchaser or Optionee) or of the Grantee, Purchaser or Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) Treatment as Compensation. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) Governing Law. The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 11. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to the approval of the Company's stockholders. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred under the Plan shall be rescinded and no additional grants, exercises or sales shall thereafter be made under the Plan. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan shall be subject to the approval of the Company's stockholders if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 8) or (ii) materially changes the class of persons who are eligible for the grant of ISOs. Stockholder approval shall not be required for any other amendment of the Plan. If the stockholders fail to approve an increase in the number of Shares reserved under Section 4 within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred in reliance on such increase shall be rescinded and no additional grants, exercises or sales shall thereafter be made in reliance on such increase.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option (or any other right to purchase Shares) granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 12. DEFINITIONS.

(a) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time.

(b) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(c) "**Committee**" shall mean a committee of the Board of Directors, as described in Section 2(a).

(d) "**Company**" shall mean Okta, Inc., a Delaware corporation.

(e) "**Consultant**" shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and Outside Directors.

(f) "**Date of Grant**" shall mean the date of grant specified in the applicable Stock Option Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Option or (ii) the first day of the Optionee's Service.

(g) "**Disability**" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(h) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(i) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(j) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(k) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(l) "**Family Member**" shall mean (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Optionee's household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Optionee control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Optionee own more than 50% of the voting interests.

(m) "**Grantee**" shall mean a person to whom the Board of Directors has awarded Shares under the Plan.

(n) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(o) "**Nonstatutory Option**" shall mean a stock option not described in Sections 422(b) or 423(b) of the Code.

(p) "**Option**" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(q) "**Optionee**" shall mean a person who holds an Option.

(r) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(s) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(t) "**Plan**" shall mean this Okta, Inc. 2009 Stock Plan.

(u) "**Purchase Price**" shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(v) "**Purchaser**" shall mean a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(w) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(x) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(y) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(z) "**Stock**" shall mean the Common Stock of the Company.

(aa) "**Stock Grant Agreement**" shall mean the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(bb) "**Stock Option Agreement**" shall mean the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(cc) "**Stock Purchase Agreement**" shall mean the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(dd) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

EXHIBIT A

SCHEDULE OF SHARES RESERVED FOR ISSUANCE UNDER THE PLAN

Date of Board Approval	Date of Stockholder Approval	Number of Shares Added	Cumulative Number of Shares
October 1, 2009	October 1, 2009	Not Applicable	300,000
February 11, 2010	February 11, 2010	984,348	1,284,348
April 9, 2010	April 9, 2010	3-for-1 forward stock split; Plan assumed by Okta, Inc. in connection with DE reincorporation.	3,853,044
July 14, 2011	July 14, 2011	965,726	4,818,770
April 13, 2012	April 23, 2012	1,610,000	6,428,770
December 5, 2012	December 5, 2012	1,200,000	7,628,770
August 6, 2013	August 6, 2013	1,250,000	8,878,770
October 9, 2013	October 9, 2013	3,400,000	12,278,770
May 22, 2014	May 23, 2014	1,500,000	13,778,770
December 16, 2014	December 16, 2014	4,100,000	17,878,770
February 26, 2015	March 23, 2015	3-for-2 forward stock split effective March 25, 2015.	26,818,155
August 25, 2015	September 23, 2015	4,000,000	30,818,155
February 25, 2016	March 1, 2016	1,500,000	32,318,155
June 2, 2016	June 14, 2016	8,700,000	41,018,155
December 14, 2016	December 15, 2016	2,150,000	43,168,155
February 20, 2017	February 21, 2017	1,200,000	44,368,155
March 6, 2017	March 9, 2017	1,000,000	45,368,155

SUBLEASE AGREEMENT
(301 Brannan Street, Third, Fourth and Fifth Floors)

THIS SUBLEASE AGREEMENT ("Sublease") is entered into effective February__, 2014 (the "Effective Date") by and between StumbleUpon, Inc. a Delaware corporation ("Sublessor") and Okta, Inc., a Delaware corporation ("Sublessee"), and is made with respect to the following facts and circumstances.

A. Kilroy Realty, L.P., a Delaware limited partnership ("Landlord") is the owner of that certain office building commonly known as 301 Brannan Street, San Francisco, California (the "Building"). As of the Sublease Commencement Date (as defined in Section 3 below), Sublessor will be leasing directly from Landlord the 2nd, 3rd, 4th, 5th and 6th floors of the Building (collectively, the "Master Premises") pursuant to that certain "Office Lease" dated December 15, 2011 (the "Master Lease"). A true and correct copy of the Master Lease is attached hereto as Exhibit A.

B. Sublessee is in possession of 37,815 rentable square feet located on the 3rd, 4th, and 5th floors of the Building (collectively, the "Subleased Premises") pursuant to an existing sublease and an existing sub-sublease, and certain amendments thereto, all of which existing agreements (the "Existing Agreements") expire on June 30, 2014.

C. Sublessor and Sublessee now desire to enter into a sublease for the Subleased Premises following the expiration of the Existing Agreements, and Landlords desire to consent to such subletting, on the terms and conditions set forth herein.

NOW, THEREFORE, in recognition of the foregoing premises, in exchange of the promises, covenants and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor and Sublessee agree as follows.

1. Subject to receipt of Landlord Consent (as defined in Section 18 below), Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, the Subleased Premises (excluding risers, plenums and utility closets which serve other portions of the Building) on the terms, conditions and covenants contained in this Sublease during the term of this Sublease. In addition to the Subleased Premises, Sublessee shall have the option to use during the Term (as defined below) up to 60% of that number of parking stalls within the Building currently allocated to Sublessor under the Master Lease; provided, however, that Sublessee shall be responsible for (i) compliance with all of the rules and regulations promulgated from time to time by the parking vendor regarding such parking stalls, and (ii) the direct payment to the parking vendor of all rental charges associated with such stalls. Prior to terminating any usage rights with respect to such parking stalls, Sublessee shall give Sublessor not less than thirty (30) days advanced notice of such pending termination and Sublessor shall have the right to take over, and assume all obligations associated with, the parking stalls which Sublessee intends to terminate.

2. Sublessee shall accept possession of the Subleased Premises in its "AS-IS" condition on the first day of the Term (as defined in Section 3 below). Sublessee shall not have

any right to require additional or other improvements as a condition of this Sublease, and Sublessee shall not make any material alterations to any component of the Subleased Premises except in compliance with the provisions of Article 8 of the Master Lease without Sublessor's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), and the consent of Landlord. Sublessee shall have the right to use the existing data communications cabling and wiring installed by Sublessor serving the Subleased Premises. Sublessee shall also have the right to use the personal property/furniture owned by Sublessor and existing in the Subleased Premises as of the Effective Date, all of which is listed on the attached Exhibit B. Sublessee shall return all of the listed personal property/furniture to Sublessor in place within the Subleased Premises on the Sublease Expiration Date (or upon any earlier termination of this Sublease), in the condition received, normal wear and tear excepted. Sublessee shall comply with and abide by the provisions of the Master Lease in making all improvements and repairs, and performing all maintenance, to the Subleased Premises. Sublessee shall also be responsible for all janitorial activities required at the Subleased Premises and covenants to keep the Subleased Premises, including the restrooms located within the Subleased Premises, in a good and clean condition at all times.

3. The term of this Sublease (the "Term"), and Sublessee's right to possession and occupancy of the Subleased Premises hereunder, shall commence on July 1,2014 (subject to receipt of the Landlord Consent prior thereto) ("Sublease Commencement Date") and shall terminate on June 30, 2017 ("Sublease Expiration Date"), unless sooner terminated pursuant to any provision hereof or of the Master Lease.

4. A. Sublessee shall pay monthly rent to Sublessor as follows:

Period	Monthly Rent
Months 1-12	$167,016.25
Months 13-24	$172,026.73
Months 25-36	$177,187.53

Sublessee shall make all rent payments due hereunder on or before the first day of the month for which such rent is due.

B. Sublessor shall cause electricity, water, garbage removal and natural gas to be provided to the Subleased Premises and Sublessee shall additionally reimburse Sublessor on a monthly basis for Sublessee's equitable share of the cost of such utilities, as reasonably determined by Sublessor and reasonably acceptable to Sublessee. During the Term Sublessee shall also be responsible for Sublessee's Share of the payment of any Direct Expenses and/or Additional Rent (as defined, and as calculated, pursuant to the Master Lease) payable by Sublessor under the Master Lease for the Master Premises. All such payments and reimbursements required to be made by Sublessee hereunder shall be paid to Sublessor no later than thirty (30) days following receipt of an invoice therefor from Sublessor. All monthly rent and other payments shall be made without set-off, deduction or reduction of any kind. In the event of overpayment of any charge by Sublessee, Sublessor shall promptly notify Sublessee

thereof and, in any event, reimburse Sublessee for its amount of overpayment within thirty (30) days after receipt thereof by Sublessor. Sublessee's Share shall be 60.17% of "Tenant's Share" of all Additional Rent payable by Sublessor under the Master Lease. Sublessee's Share is determined by dividing the rentable square footage of the Subleased Premises (i.e., 37,815 rentable square feet) by the rentable square footage of the Master Premises (i.e., 62,852 rentable square feet).

C. Pursuant to Section 4.6 of the Lease, Sublessor has a right to review Landlord's records of Building Direct Expenses for the subject Expense Year. Sublessor promptly shall provide Sublessee with a copy of any Statement received by Sublessor from Landlord. If, within thirty (30) days after receipt of the Statement from Sublessor, Sublessee notifies Sublessor that Sublessee reasonably believes that Landlord's records should be reviewed with respect to the items identified by Sublessee, and such items, in Sublessor's reasonable judgment, should be reviewed, Sublessor shall exercise the audit rights set forth in Section 4.6 in accordance therewith; provided, however, that all expenses and charges associated with such Sublessee-requested audit shall be borne by Sublessee.

5. Sublessee shall, in lieu of a security deposit, deliver to Sublessor a letter of credit from Silicon Valley Bank substantially in the form attached hereto as Exhibit B (or otherwise in a commercially reasonable form) in the amount of $688,106.92. Sublessee shall deliver the letter of credit to Sublessor not later than the Sublease Commencement Date. Sublessor shall not be obligated to return the letter of credit until (and it shall not expire before) such time as Sublessor has confirmed after expiration of the Term that Sublessee has paid all rent, utility charges, Pass Through Costs and Additional Rent and other expenses of the Subleased Premises which are Sublessee's responsibility hereunder and has returned the Subleased Premises to Sublessor in good condition and repair, excepting only normal wear and tear, casualty damage and repairs which are not the obligation of Sublessee under this Sublease but in no event later than thirty (30) days after the expiration date of this Sublease. Sublessor shall have the right to draw against the letter of credit any amount reasonably required to cure any default, beyond applicable notice and cure periods, by Sublessee under this Sublease, including to restore the Subleased Premises to such required condition at the end of the Term in the event Sublessee fails to do so. Sublessee shall pay all expenses, points and/or fees incurred by Sublessee in obtaining the letter of credit and any renewal, extension or replacement thereof. If, (i)(A) Sublessor receives notice from the issuing bank of its intention not to renew the letter of credit and (B) Sublessee fails to deliver a replacement letter of credit at least five (5) business days prior to the expiration of the then existing letter of credit or (ii) Sublessee fails to deliver a renewal or replacement letter of credit (it being agreed that any replacement letter of credit shall satisfy the requirements of this Section 5) at least five (5) business days prior to the expiration of the then existing letter of credit, then Sublessor shall be entitled to draw the full face amount of the letter of credit and retain such amount as an additional security deposit hereunder in lieu of the letter of credit. If Sublessor draws upon any part of the letter of credit and/or applies or retains any portion or all of the amount received from such draw, Sublessee, within three (3) business days after receipt of written demand, shall restore the face amount of the letter of credit or deposit with Landlord cash equal to the amount so applied or retained. For the purposes of the definition of "default" under this Section 5, the terms of the Master Lease are hereby incorporated herein as applicable between Sublessor and Sublessee. The letter of credit shall be reduced (through a replacement letter of credit) by $172,026.73 following the eighteenth (18) month of the Term, and by an

additional $172,026.73 following the thirtieth (30th) month of the Term provided that Sublessee shall not have been in default of this Sublease beyond any applicable cure period at any time prior to the date of any such reduction. Sublandlord shall cooperate with the issuing bank in canceling the letter of credit it is then holding within three (3) business days after receipt of each replacement letter of credit in the reduced amount.

6. During the Term, Sublessee shall procure and maintain a policy of liability insurance naming Sublessor and Landlord as additional insureds in the amount and scope required of Sublessor under the Master Lease. Sublessee shall provide Sublessor with a certificate of insurance evidencing such required coverage prior to the Sublease Commencement Date. Sublessee shall also maintain the property insurance coverage and other coverages required under the Master Lease with respect to the Subleased Premises and provide Sublessor with a certificate of insurance with respect to such coverages prior to the Sublease Commencement Date. Sublessor shall maintain all insurance required to be maintained by it as tenant under the Master Lease (except, at such time as Sublessor shall not occupy any portion of the Building, Sublessor may reduce its liability coverage under the Master Lease to the extent Landlord agrees in writing that liability coverage maintained by Sublessee pursuant to this Section is an acceptable substitute for the liability coverage required of Sublessor under the Master Lease) provided, as to property insurance pursuant to Section 10.3.2 of the Master Lease, unless Landlord contends that to do so would be a violation of the Master Lease, Sublessor shall be required only to maintain coverage applicable to the portion of the Master Premises not a part of the Subleased Premises . In no event shall either party be responsible to the other party for any loss or damage to persons or property to the extent covered by insurance required to be maintained under this Sublease or actually maintained by the party suffering such loss or damage. With respect to any waivers of subrogation contained in the Master Lease, as incorporated herein, such waivers shall be deemed to be modified to constitute an agreement by and among Landlord, Sublessor and Sublessee (and Landlord's consent to this Sublease, if given, shall be deemed to constitute its approval of this modification).

7. Sublessee shall use the Subleased Premises only for the permitted uses set forth in the Master Lease and for no other purpose without Sublessor's prior written consent (which may be withheld in Sublessor's sole discretion). Sublessee shall abide by all the provisions of the Master Lease concerning the storage, use and handling of hazardous materials at the Subleased Premises. Sublessor shall defend, indemnify and hold Sublessee harmless from and against any and all claims, liabilities, responsibilities, costs and expenses (including reasonable attorneys' fees and costs) made against or incurred by Sublessee to the extent arising out of or relating to the storage, use and handling of hazardous materials stored, used, released or disposed of by Sublessor, its agents, employees or contractors on, in, under or about the Subleased Premises. The foregoing indemnity shall survive the expiration or earlier termination of this Sublease.

8. Sublessee's performance of each of its obligations under this Sublease constitutes a covenant, and Sublessee's right to continue in possession of the Subleased Premises is conditioned upon such performance, subject to all notice and cure rights and remedies of Sublessee and Sublessor as set forth in the Master Lease incorporated herein. In addition, Sublessee shall be in default of its obligations under this Sublease if Sublessee is responsible for the occurrence of any of the "Events of Default" set forth in Article 19 of the Master Lease. In the event of any default (after applicable notice and cure periods) by Sublessee of this Sublease,

Sublessor shall have all remedies provided by applicable law, and shall additionally have the right to pursue all remedies set forth herein, including rights and remedies incorporated herein from the Master Lease, including without limitation, termination and/or eviction as to the Subleased Premises. All of Sublessor's remedies shall be cumulative, not exclusive. In the event of eviction, Sublessee shall be liable for all damages caused thereby to the extent expressly set forth in Article 19 of the Master Lease.

9. Sublessee shall defend, indemnify and hold Sublessor harmless from and against any and all claims, liabilities, responsibilities, costs (including reasonable attorneys' fees and costs) and expenses made against or incurred by Sublessor to the extent arising from or relating to any of the following: (a) Sublessee's failure to perform any covenant, condition or provision to be performed by Sublessee pursuant to this Sublease or the Master Lease (to the extent incorporated into this Sublease); and/or (b) personal injury or property damage suffered at the Subleased Premises on or after Sublessee's occupancy thereof, except to the extent caused by the negligence or willful misconduct of Sublessor. Sublessor shall defend, indemnify and hold Sublessee harmless from and against any and all claims, liabilities, responsibilities, costs and expenses (including reasonable attorneys' fees and costs) made against or incurred by Sublessee to the extent arising out of or relating to any of the following: (a) Sublessor's failure to perform any covenant, condition or provision to be performed by Sublessor under this Sublease or the Master Lease (to the extent not made the obligation of Sublessee under this Sublease); and/or (b) personal injury or property damage caused by the negligence or willful misconduct of Sublessor or any of its employees. The provisions of this Section shall survive expiration or earlier termination of the Master Lease or this Sublease. For purposes of this Section, "Sublessee" and "Sublessor" shall include their respective officers, directors, agents, shareholders, employees, agents, contractors, subcontractors and permitted assignees and successors.

10. Sublessee shall not assign or sublet the Subleased Premises or any portion thereof without first obtaining the written consent of Sublessor, which shall not be unreasonably withheld, conditioned or delayed, and Landlord in accordance with the provisions of Article 14 of the Master Lease. All costs of assignment and/or sub-subleasing shall be borne by Sublessee in accordance with the Master Lease. With respect to any "Permitted Transferee" as described in Section 14.8 of the Master Lease, the provisions of said section of the Master Lease shall apply as if incorporated into this Sublease provided, however Sublessee shall give Sublessor not less than forty-five (45) days prior notice of any transfer involving a "Permitted Assignment" to allow Sublessor to confirm with Landlord that Landlord concurs the transfer constitutes a transfer to a "Permitted Transferee" not requiring their consent, or alternatively to obtain their consent if they do not so concur. Sublessor acknowledges, however, that prior notice of a Permitted Assignment may be prohibited by applicable securities laws, in which event Sublessee shall give Sublessor written notice as soon as possible after the effective date of the Permitted Assignment. Prior to taking any marketing or other steps toward assigning this Sublease or subletting any portion of the Subleased Premises, Sublessee shall provide written notice to Sublessor and Sublessor shall have the right to terminate this Sublease as to such portion of the Subleased Premises and recapture possession of the subject portion of the Subleased Premises by giving Sublessee written notice of such election not later than ten (10) business days following receipt of Sublessee's written notice of intent to sublease/assign. If Sublessor does not give such notice in a timely manner, Sublessee shall be free to market and assign or sublet, subject to the provisions of Article 14 of the Master Lease.

11. Any signage desired by Sublessee shall be at Sublessee's expense and shall be subject to the provisions of the Master Lease regarding signage. No alterations shall be made to the Subleased Premises by Sublessee without Sublessor's prior approval which approval shall be given or withheld in accordance with the Master Lease; provided, however, that Sublessor shall have the right to require that any signage installed by Sublessee be removed at the end of the Term.

12. This Sublease is and shall be binding upon, and shall inure to the benefit of, all parties hereto by whatever names known, and to their beneficiaries, assigns and heirs.

13. This Sublease may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by the parties or their authorized representatives.

14. This Sublease may be executed in duplicate originals, and by counterparts, each of which is equally admissible in evidence, and each original shall fully bind each party who has executed it. Facsimile signatures and PDF format signatures sent by electronic mail shall be treated and have the same effect as original signatures.

15. In the event of legal action or litigation concerning the subject matter of this Sublease, the prevailing party shall be entitled to recover reasonable attorney's fees and all other costs and expenses associated with the proceeding, including without limitation reasonable attorneys' fees and other costs and expenses associated with the collection or enforcement of any judgment.

16. This Sublease constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior agreements, representations, and understandings of the parties pertaining to such subject matter, whether oral or written.

17. Any notice required or permitted hereunder shall be given in writing and shall be personally delivered or shall be delivered and deemed received in the manner provided in the Master Lease, to Sublessor's reception desk on the 6th floor of the Building, for notices to Sublessor, and for notices to Sublessee, to the Subleased Premises, Attn: Frederic Kerrest.

18. This Sublease shall be conditioned upon receipt of Landlord's consent to this Sublease in writing on or prior to the Sublease Commencement Date (the "Landlord Consent"). Sublessor will use diligent good faith efforts to obtain the Landlord Consent prior to said date; provided, however, that if for any reason the Landlord Consent is not received within thirty (30) days after the date of full execution and delivery of this Sublease by both parties, Sublessee may, but shall not be obligated to, at any time thereafter and prior to receipt of the Landlord Consent, terminate this Sublease upon written notice to the Sublessor, in which case this Sublease shall have no further force and effect and Sublessor promptly shall refund to Sublessee all sums paid by Sublessee to Sublessor in connection with Sublessee's execution of this Sublease.

19. The provisions of the Master Lease are hereby deemed to be part of or incorporated into this Sublease, and shall be applicable provisions with respect to the relationship between Sublessor and Sublessee created by this Sublease, subject to the following; (a) The term "premises" (or word of similar import) as used in the Master Lease shall refer only to the

Subleased Premises as defined in this Sublease; (b) The term "Lease" (or word of similar import) as used in the Master Lease shall refer to this Sublease; (c) The term "rent" (or word of similar import) as used in the Master Lease shall mean only the monthly rent and/or all other amounts due under this Sublease; (d) The term "lease commencement date" and "lease expiration date" (or words of similar import) as used in the Master Lease shall mean the Sublease Commencement Date and Sublease Expiration Date, respectively, as defined in this Sublease; and the terms Landlord and Tenant shall mean Sublessor and Sublessee, respectively. Notwithstanding the foregoing, the following provisions of the Master Lease are not incorporated into this Sublease: Summary of Basic Lease Information Sections 3.1,3.2,3.4,4.1,4.2,6, 8,10,12 and 13; Sections 1.1.1 through 1.1.3 (with the exception of applicable definitions); Section 1.2 (except that the reference to "Premises" in the last sentence shall mean the Subleased Premises); Section 1.1.4; Section 1.3; Article 2; Article 3; Sections 4.1-4.4 (except that such sections shall be applicable to the extent they control the Additional Rent charges payable by Sublessor and allocated to Sublessee pursuant to Section 4 above), Section 4.6; Section 14.4; Article 21; Section23.5, Article 28; Sections 29.13; 29.24; 29.32 and29.37; Exhibits A, B,C, F, G and H. References to "Landlord" in the following Sections shall mean only Landlord: Article 7; Section 10.7; Article 13; Article 18; Section29.18; Section 29.26; Section 29.30; Section 29.35; and Section 29.37. In the event of any conflict between any provision of the Master Lease which is deemed incorporated into this Sublease and any provision in any other Section of this Sublease, the latter shall control. This Sublease is subject and subordinate to the Master Lease. Subject to the provisions of Section 22.B. below, if the Master Lease terminates (including, without limitation, upon the occurrence of any casualty or condemnation pertaining to the Subleased Premises or the Building) this Sublease shall terminate.

20. Sublessor represents and warrants to Sublessee that (a) a true and complete copy of the Master Lease is attached hereto as Exhibit A and to Sublessor's actual knowledge the Master Lease is currently in full force and effect and has not been modified, amended or supplemented; and (b) to Sublessor's actual knowledge neither Landlord nor Sublessor is in breach or default under the Master Lease nor is there any fact or circumstance which (with the passage of time or the giving of notice or both) might ripen into a breach or default thereunder.

21. Upon the surrender of the Subleased Premises, Sublessee shall remove any Alterations installed in the Subleased Premises by Sublessee pursuant to the Existing Agreements or this Sublease, subject to the provisions of Section 8.5 of the Lease, and repair any damage caused by such removal. In no event shall Sublessee be obligated to remove any alterations, additions or improvements installed in the Subleased Premises by Sublessor or any predecessor-in-interest of Sublessor prior to Sublessee's occupancy of the Subleased Premises. Subject to the foregoing provisions, Sublessee shall be responsible for delivering the Subleased Premises to Landlord upon expiration or earlier termination of this Sublease in the condition required under the Master Lease, including without limitation the restoration of the stairwell between the 5th and 6th floors of the Building.

22. A. Sublessor agrees to pay all rent payable under the Master Lease to Landlord in accordance with the terms of the Master Lease and otherwise perform its obligations under the Master Lease except to the extent Sublessee expressly agrees to perform such obligations pursuant to the terms hereof. Sublessor shall deliver promptly to Sublessee copies of all notices Sublessor receives from Landlord with respect to the Master Lease and/or the

Subleased Premises. With respect to work, services, repairs, restoration, provision of insurance or the performance of any other obligation of Landlord under the Master Lease, Sublessor shall use commercially reasonable good faith efforts to obtain Landlord's performance thereof at not more than a nominal cost to Sublessor. If Landlord fails to perform any obligation of Landlord under the Master Lease, Sublessee shall so notify Sublessor in writing, and Sublessor shall use diligent, good faith efforts to obtain Landlord's performance. If, after receipt of written request from Sublessee, Sublessor shall fail or refuse to take action for the enforcement of Sublessor's rights against Landlord with respect to the Subleased Premises ("Action"), or if Landlord shall fail or refuse to perform, Sublessee shall have the right to take such Action in its own name, and for that purpose and only to such extent, all of the rights of Sublessor as Lessee under the Master Lease hereby are conferred upon and assigned to Sublessee, and Sublessee hereby is subrogated to such rights to the extent that the same shall apply to the Subleased Premises. Sublessee shall give Sublessor prompt notice of all actions and activities taken by Sublessee in pursuit of the Action, and Sublessor shall have the right to approve all such actions and activities, such approval not to be unreasonably withheld. All such actions and activities shall be at Sublessee's sole cost and expense. If any such Action against Landlord in Sublessee's name shall be barred by reason of lack of privity, nonassignability or otherwise, Sublessee may take such Action in Sublessor's name; provided that Sublessee has obtained the prior written consent of Sublessor, which consent shall not be unreasonably withheld, and, provided further, that Sublessee shall indemnify, protect, defend by counsel reasonably satisfactory to Sublessor and hold Sublessor harmless from and against any and all liability, loss, claims, demands, suits, penalties or damage (including, without being limited to, reasonable attorneys' fees and expenses) which Sublessor may incur or suffer by reason of such Action, except for any such liability, loss, claims, demands, suits, penalties or damage which Sublessor may incur or suffer by reason of Sublessor's negligent acts or omissions.

B. If this Sublease is terminated solely as a result of a default by Sublessor under the Master Lease or this Sublease (which default is not due to Sublessee), Sublessor shall indemnify, protect, defend with counsel reasonably acceptable to Sublessee and hold Sublessee harmless from and against any and all claims, liabilities, judgments, causes of action, damages, costs and expenses (including reasonable attorneys' and experts' fees) caused by or arising in connection with Sublessor's default and resultant termination of this Sublease; provided, however, that such indemnity shall be limited to (i) any operating or similar costs or expenses Sublessee reasonably pays with respect to a replacement premises to the extent such costs or expenses exceed those which are allocated to Sublessee under this Sublease, (ii) any rent for comparable space (quality, size) in excess of that due under this Sublease which Sublessee may incur should Sublessee reasonably be required to obtain substitute space following eviction from the Subleased Premises by Landlord, (iii) reasonable, actually incurred moving expenses, and (iv) reasonable, actually incurred broker expenses and attorneys' fees. In the event Sublessee is evicted from the Subleased Premises due to a Sublessor default of the Master Lease, Sublessee shall have the right to use the furniture/personal property listed in Exhibit B at Sublessee's replacement premises. The foregoing indemnity shall survive the expiration or earlier termination of this Sublease. In addition, Sublessor shall not voluntarily terminate the Master Lease during the Term unless and until Landlord has agreed in writing to continue this Sublease in full force and effect as a direct lease between Landlord and Sublessee upon and subject to all of the terms, covenants and conditions of this Sublease for the balance of the Term hereof. If Landlord so consents, Sublessee shall attorn to Landlord in connection with any such voluntary

termination and shall execute an attornment agreement in such form as may reasonably be requested by Landlord; provided, however, that the attornment agreement does not materially adversely affect the use by Sublessee of the Subleased Premises in accordance with the terms of this Sublease, materially increase Sublessee's obligations under this Sublease or materially decrease Sublessee's rights under this Sublease.

C. Sublessee shall peacefully have, hold and enjoy the Subleased Premises, subject to the terms and conditions of this Sublease, provided that Sublessee pays all rent and performs all of Sublessee's covenants and agreements contained therein. In the event, however, that Sublessor defaults in the performance or observance of any of Sublessor's obligations under the Master Lease to the extent not made the obligation of Sublessee hereunder, or fails to perform Sublessor's stated obligations under this Sublease to enforce, for Sublessee's benefit, Landlord's obligations under the Master Lease, then Sublessee shall give Sublessor notice specifying in what manner Sublessor has defaulted, and if such default shall not be cured by Sublessor within thirty (30) days thereafter (except that if such default cannot be cured within said thirty (30)-day period, this period shall be extended for an additional reasonable time, provided that Sublessor commences to cure such default within such thirty (30)-day period and proceeds diligently thereafter to effect such cure as quickly as possible), then in addition, Sublessee shall be entitled, at Sublessee's option, to cure such default and promptly collect from Sublessor Sublessee's reasonable expenses in so doing (including, without limitation, reasonable attorneys' fees and court costs). Sublessee shall not be required, however, to wait the entire cure period described herein if earlier action is required to comply with the Master Lease or with any applicable governmental law, regulation or order.

D. Sublessor and Landlord shall not amend or modify the Master Lease in any way so as to materially or adversely affect Sublessee or its interest hereunder, materially increase Sublessee's obligations hereunder or materially restrict Sublessee's rights hereunder, without the prior written consent of Sublessee, which may be withheld in Sublessee's sole discretion.

E. Sublessor hereby acknowledges that Sublessor's failure to pay the rent and other sums owing by Sublessor to Landlord under the Master Lease will cause Sublessee to incur damages, costs and expenses not contemplated by this Sublease, especially in those cases where Sublessee has paid sums to Sublessor hereunder which correspond in whole or in part to the amounts owing by Sublessor to Landlord under the Master Lease. Accordingly, Sublessee shall have the right to pay all rent and other sums owing by Sublessee to Sublessor hereunder for those items which also are owed by Sublessor to Landlord under this Sublease directly to Landlord on the following terms and conditions: (i) Sublessee reasonably believes that Sublessor has failed to make any payment required to be made by Sublessor to Landlord under the Master Lease and Sublessor fails to provide adequate proof of payment within two (2) business days after Sublessee's written demand requesting such proof; (ii) Sublessee shall not prepay any amounts owing by Sublessee without the consent of Sublessor; (iii) Sublessee shall provide to Sublessor concurrently with any payment to Landlord reasonable evidence of such payment; and (iv) if Sublessor notifies Sublessee that it disputes any amount demanded by Landlord, Sublessee shall not make any such payment to Landlord unless Landlord has provided a three-day notice to pay such amount or forfeit the Master Lease.

OFFICE LEASE

KILROY REALTY

301 BRANNAN STREET

KILROY REALTY, L.P.,

a Delaware limited partnership

as Landlord,

and

STUMBLEUPON, INC.,

a Delaware corporation,

as Tenant.

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301 BRANNAN STREET

OFFICE LEASE

This Office Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between KILROY REALTY, L.P., a Delaware limited partnership ("**Landlord**"), and STUMBLEUPON, INC., a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE		DESCRIPTION
1.	Date:	December 15, 2011.
2.	Premises:	
2.1	Building:	That certain office building (the "**Building**") located at 301 Brannan Street, San Francisco, California 94107, which Building contains approximately 74,430 rentable square feet of space.
2.2	Premises:	Initially, approximately 25,222 rentable square feet of space, consisting of approximately 12,489 rentable square feet located on the second (2nd) floor and approximately 12,733 rentable square feet located on the third (3rd) floor of the Building, and commonly known as Suites 200 and 300, respectively, as further depicted on **Exhibit A-l** to the Office Lease (the "**Initial Premises**"). Upon the occurrence of the "Must-Take Lease Commencement Date," as such term is set forth in Section 1.1.4 below, the Premises shall automatically be increased to include approximately 37,630 rentable square feet of space, consisting of approximately 12,541 rentable square feet located on the fourth (4th) floor, approximately 12,541 rentable square feet located on the fifth (5th) floor, and approximately 12,548 rentable square feet located on the sixth (6th) floor of the Building, and commonly known as Suites 400, 500, and 600, respectively, subject to adjustment in

		accordance with the terms and conditions of Section 1.2 of this Lease, as further depicted on **Exhibit A-2** to the Lease (the "**Must-Take Space**"), thereby increasing the Premises to a total of approximately 62,852 rentable square feet of space, subject to adjustment in accordance with the terms and conditions of Section 1.2 of this Lease.
2.3	Project:	The Building is the principal component of an office project known as "**301 Brannan Street**," as further set forth in Section 1.1.2 of this Lease.
3.	Lease Term (Article 2):	
3.1	Length of Term:	Sixty-three (63) full months.
3.2	Lease Commencement Date:	With respect to the Initial Premises, the earlier to occur of (i) the date which is one hundred twenty (120) days after the date on which this Lease is mutually executed and delivered, and (ii) April 1, 2012 (the "**Initial Lease Commencement Date**"). With respect to the Must-Take Space, July 1, 2014 (the "**Must-Take Lease Commencement Date**"), subject to the terms of Section 1.1.4 of this Lease.
3.3	Lease Expiration Date:	The last day of the sixty-third (63rd) full calendar month following the Initial Lease Commencement Date. By way of example only, if the Initial Lease Commencement Date were March 15, 2012, then the Lease Expiration Date would be June 30, 2017; and if the Initial Lease Commencement Date were April 1, 2012, then the Lease Expiration Date would also be June 30, 2017.
3.4	Option Term(s):	One (1) five (5)-year option to renew, as more particularly set forth in Section 2.2 of this Lease.

4. Base Rent (Article 3):

4.1 Base Rent for the Initial Premises:

Period During Lease Term	Annual Base Rent	Monthly Installment of Base Rent	Annual Rental Rate per Rentable Square Foot
Lease Year 1 *	$1,134,990.00	$ 94,582.50	$ 45.00
Lease Year 2	$1,160,212.00	$ 96,684.33	$ 46.00
Lease Year 3	$1,185,434.00	$ 98,786.16	$ 47.00
Lease Year 4	$1,210,656.00	$100,888.00	$ 48.00
Lease Year 5	$1,235,878.00	$102,989.83	$ 49.00
Lease Year 6 - Lease Expiration Date	$1,261,100.00	$105,091.66	$ 50.00

* Tenant's obligations to pay the Monthly Installment of Base Rent with respect to the Initial Premises shall be subject to the terms and conditions of Section 3.2 of this Lease.

4.2 Base Rent for the Must-Take Space:

Period During Lease Term	Annual Base Rent*	Monthly Installment of Base Rent*	Annual Rental Rate per Rentable Square Foot
Must-Take Space Commencement Date - last day of Lease Year 3	$1,768,610.00	$147,384.16	$ 47.00
Lease Year 4	$1,806,240.00	$150,520.00	$ 48.00
Lease Year 5	$1,843,870.00	$153,655.83	$ 49.00
Lease Year 6 - Lease Expiration Date	$1,881,500.00	$156,791.66	$ 50.00

* The amount of Annual Base Rent and the Monthly Installment of Base Rent with respect to the Must-Take Space shall be subject to adjustment in accordance with the terms and conditions of Section 1.2 of this Lease.

5.	Base Year (Article 4):	With respect to the Initial Premises: Calendar year 2012. With respect to the Must-Take Space: Calendar year 2014.
6.	Tenant's Share (Article 4):	With respect to the Initial Premises: Approximately 33.8868%. With respect to the Must-Take Space: Approximately 50.5575%, subject to adjustment in accordance with the terms and conditions of Section 1.2 of this Lease.
7.	Permitted Use (Article 5):	Tenant shall use the Premises solely for general office use and uses incidental thereto consistent with a first-class office building Project (the "**Permitted Use**"); provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (A) Landlord's "Rules and Regulations," as that term is set forth in Article 5 of this Lease, (B) all "Applicable Laws," as that term is set forth in Article 24 of this Lease, and (C) all applicable zoning, building codes.
8.	Letter of Credit (Article 21):	$900,000.00, subject to the terms and conditions of Article 21 of this Lease.
9.	Parking Pass Ratio (Article 28):	One (1) unreserved parking pass for every 2,500 rentable square feet of the Premises (i.e., the Initial Premises until the Must-Take Lease Commencement Date, and thereafter the entire Premises).
10.	Address of Tenant (Section 29.18):	StumbleUpon, Inc. 301 Brannan Street, Suite 500 San Francisco, California 94107 Attention: Mark Bartels (Prior to and after Initial Lease Commencement Date)

11.	Address of Landlord (Section 29.18):	See Section 29.18 of the Lease.
12.	Broker (Section 29.24):	Cornish & Carey Commercial Newmark Knight Frank One Bush Street, Suite 400 San Francisco, California 94104
13.	Improvement Allowance (Section 2 of **Exhibit B**):	$1,196,827.00, consisting of the "Initial Premises Allowance" and the "Must-Take Space Allowance," as such terms are defined below. "**Initial Premises Allowance**": $38.50 per rentable square foot. "**Must-Take Space Allowance**": $6.00 per rentable square foot.

ARTICLE 1

PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 P**remises, Building, Project and Common Areas**.

1.1.1 **The Premises**. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Initial Premises is set forth in **Exhibit A-1** attached hereto and the outline of the Must-Take Space is set forth in **Exhibit A-2** attached hereto (as used herein, the term "Premises" shall refer to both the Initial Premises and the Must-Take Space). Each floor or floors of the Premises has the number of rentable square feet as set forth in Section 2.2 of the Summary. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the "**TCCs**") herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises in the "**Building**," as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "**Common Areas**," as that term is defined in Section 1.1.3, below, or the elements thereof or of the access ways to the Premises or the "**Project**," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Work Letter attached hereto as **Exhibit B** (the "**Work Letter**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair.

1.1.2 **The Building and The Project**. The Premises is a part of the building set forth in Section 2.1 of the Summary (the "**Building**"). The Building is the principal component of an office project known as "**301 Brannan Street**." The term "**Project**," as used in this Lease, shall mean (i) the Building and the Common Areas, and (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located.

1.1.3 **Common Areas**. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The Common Areas shall consist of the "**Project Common Areas**" and the "**Building Common Areas**" (as both of those terms are defined below). The term "**Project Common Areas**," as used in this Lease, shall mean

the portion of the Project designated as such by Landlord. The term "**Building Common Areas**," as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The Common Areas shall include, without limitation, common utilities and communications closets, conduits and chases, public or common lobbies, hallways, stairways, elevators and common walkways, and if the portion of the Premises on any floor includes less than the entire floor, then the common toilets, corridors and elevator lobby of such floor, as well as the loading areas, pedestrian sidewalks, landscaped areas, trash enclosures and other areas or facilities, if any, which are located in or on the Property. The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord (but shall at least be consistent with the manner in which the common areas of the "Comparable Buildings" (as that term is defined in **Exhibit H** to this Lease) are maintained and operated) and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time, provided that such rules, regulations and restrictions do not unreasonably interfere with the rights granted to Tenant under this Lease and the permitted use granted under Section 5.1, below. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that no such changes shall be permitted which materially reduce Tenant's rights or access hereunder. Except when and where Tenant's right of access is specifically excluded in this Lease, Tenant shall have the right of access to the Premises, the Building, and the Project parking facility twenty-four (24) hours per day, seven (7) days per week during the "Lease Term," as that term is defined in Section 2.1, below.

1.1.4 **Must-Take Space**. As of the Must-Take Lease Commencement Date, the Premises shall be expanded to include the rentable square footage of the "Must-Take Space," as that term is defined in Section 1.1.4.1. below, as set forth in this Section 1.1.4 and this Lease.

1.1.4.1 **Description of the Must-Take Space**. The "**Must-Take Space**," as used in this Lease, shall consist of the office space set forth in Section 2.2 of the Summary.

1.1.4.2 **Delivery of the Must-Take Space**. Notwithstanding anything in this Lease to the contrary, Tenant hereby acknowledges that Landlord shall deliver the Must-Take Space to Tenant, and Tenant shall accept delivery of the Must-Take Space from Landlord, on the Must-Take Lease Commencement Date, as set forth in Section 3.2 of the Summary. Upon the Must-Take Lease Commencement Date, Landlord shall deliver, and Tenant shall accept, the Must Take Space in its currently existing "as is" condition, subject to reasonable wear and tear that occurs following the full execution and delivery of this Lease.

1.1.4.3 **Rent and Term**. The Must-Take Space shall become part of the Premises for all purposes hereunder, and, except as otherwise provided in this Section 1.1.4, shall be subject to every term and condition of this Lease and accordingly, the base rent and additional rent for the Must-Take Space shall be at the same rate, and shall thereafter be escalated in the same manner, as the then current "Base Rent" and "Additional Rent," as those terms are defined in Article 3 and Section 4.1 of this Lease, respectively, for the Initial Premises, as such Base Rent and Additional Rent are adjusted and escalated pursuant to the terms of this Lease. Furthermore, for purposes of

calculating Tenant's obligations under Article 4 of this Lease, Tenant's Share of Building Direct Expenses shall be as set forth in Section 6 of the Summary; provided, however, the Base Year applicable to the Must Take Space shall be as set forth in Section 5 of the Summary with respect to the Must Take Space. The lease term for the Must-Take Space shall commence, and, as set forth in Section 4 of the Summary, Tenant shall commence payment of the Base Rent and the Additional Rent for the Must-Take Space, upon the Must Take Commencement Date, and the lease term for the Must-Take Space shall expire upon the Lease Expiration Date.

1.1.4.4 **Improvement of Must-Take Space**. Subject to the terms of the Work Letter, Tenant shall accept the Must-Take Space in its then existing "as is" condition.

1.1.4.5 **Other Terms**. Except as specifically set forth in this Lease, as of the Must-Take Space Commencement Date, all other terms of this Lease shall apply to the Must-Take Space as though the Must-Take Space was originally part of the Premises. At any time after the Must-Take Space Commencement Date during the remainder of the Lease Term, Landlord may deliver to Tenant a notice in the form of **Exhibit F** attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within five (5) days of receipt thereof.

1.2 **Stipulation of Rentable Square Feet of Premises and Building**. For purposes of this Lease, "rentable square feet" and "usable square feet" of the Premises and the Building, as the case may be, shall be shall be calculated pursuant to the Standard Method of Measuring Floor Area in Office Buildings, ANSI Z65 - 1996, and its accompanying guidelines (collectively, "**BOMA**"). Landlord and Tenant hereby stipulate and agree that the rentable area of the Building is as set forth in Section 2.1 of the Summary, and the rentable area of the Premises is as set forth in Section 2.2 of the Summary.

1.3 **Right of First Offer**.

1.3.1 **In General**. During the initial Lease Term, Landlord grants the original tenant named in this Lease (the "**Original Tenant**") and any Permitted Transferee, an ongoing right of first offer with respect to any space that becomes available for lease on the ground floor of the Building (the "**First Offer Space**"). Notwithstanding the foregoing, such first offer right of Tenant shall be subject to the rights of any existing tenant of the First Offer Space to renew or extend the term of its lease, regardless of whether such rights are executed strictly in accordance with their respective terms or pursuant to lease amendments or new leases (all such tenants under existing leases of the First Offer Space, collectively, the "**ROFO Superior Right Holders**"). In addition, if Tenant, following its receipt of a "First Offer Notice," as that term is defined in Section 1.3.2 of this Lease, below, fails to exercise its right to lease all or any portion of the First Offer Space, then Landlord shall have a right to enter into an interim lease (an "**Interim Lease**") with a third party with respect to such space (i.e., the space set forth in the First Offer Notice), and Tenant's right of first offer as set forth in this Section 1.3 shall be subordinate to all of the rights of the tenant under the Interim Lease with respect to (i) any renewal or extension of any Interim Lease for the First Offer Space, irrespective of whether any such renewals or extensions are pursuant to existing rights in such lease or subsequently granted rights or agreements, and

regardless of whether such renewals or extensions are consummated pursuant to a lease amendment or a new lease, and (ii) any expansion rights which were set forth in the "First Offer Notice" (as that term is defined in Section 1.3.2 below), irrespective of whether such expansion rights are pursuant to existing rights in such lease or subsequently granted rights or agreements, and regardless of whether such expansion is consummated pursuant to a lease amendment or a new lease, and such tenant shall be deemed a ROFO Superior Right Holder solely with respect to the rights described in the foregoing items (i) and (ii).

1.3.2 **Procedure for Offer**. Landlord shall notify Tenant in writing (the "**First Offer Notice**") when and if the First Offer Space or any portion thereof becomes available for lease to third parties, as determined by Landlord, provided that no ROFO Superior Right Holder wishes to lease such space. Pursuant to such First Offer Notice, Landlord shall offer to lease to Tenant the First Offer Space. A First Offer Notice shall describe the First Offer Space so offered to Tenant and shall set forth the Base Rent payable by Tenant for the First Offer Space, the lease term for the First Offer Space (including the anticipated "First Offer Commencement Date," as that term is defined in Section 1.3.5 below), and the other economic terms upon which Landlord is willing to lease the First Offer Space to Tenant.

1.3.3 **Procedure for Acceptance**. If Tenant wishes to exercise Tenant's right of first offer with respect to the space described in a First Offer Notice, then within five (5) business days of delivery of such First Offer Notice to Tenant, Tenant shall deliver notice to Landlord of Tenant's irrevocable exercise of its right of first offer with respect to the entire space described in such First Offer Notice on the terms contained therein. If Tenant does not notify Landlord within the five (5) business day period set forth above, then Landlord shall be free to lease the space described in the First Offer Notice to anyone to whom Landlord desires on any "Economic Terms" (as that term is defined below) Landlord desires, provided, however, if Landlord (A) has not entered into a lease with respect to such First Offer Space within one hundred eighty (180) days after the date of the First Offer Notice, or (B) desires to enter into a lease of such First Offer Space with a third party on Economic Terms that are more than ten percent (10%) more favorable to such third party than the most favorable Economic Terms offered by Landlord to Tenant in the First Offer Notice (with reasonable and appropriate adjustments made to such Economic Terms to account for any difference in the length of the offered lease terms for the First Offer Space), then Landlord shall deliver another First Offer Notice to Tenant with respect to such First Offer Space (and, if applicable, such First Offer Notice to Tenant shall contain the more favorable Economic Terms) prior to entering into a lease of such First Offer Space with a third party. Tenant shall have the same rights with respect to such First Offer Notice as it had with respect to the initial First Offer Notice. As used in this Section 1.3, "**Economic Terms**" shall refer to the net, aggregated cost to Tenant or another party, on a present value basis, of the effect of the following terms for any particular First Offer Space: (i) the rental rate (including additional rent and considering any "base year" or "expense stop" applicable thereto); (ii) the amount of any improvement allowance or the value of any work to be performed by Landlord in connection with the lease of such First Offer Space (which amount is a deduction from the cost to Tenant or such other party); and (iii) the amount of free rent (which amount is a deduction from the cost to Tenant or such other party). Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to all of the space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof.

1.3.4 **Construction In First Offer Space**. Tenant shall take the First Offer Space in its then-existing "as is" condition. The construction of improvements in the First Offer Space shall comply with the terms of Article 8 of this Lease.

1.3.5 **Amendment to Lease**. If Tenant timely exercises Tenant's right to lease First Offer Space as set forth herein, then within fifteen (15) days thereafter, Landlord and Tenant shall execute an amendment to this Lease or a separate lease for such First Offer Space upon the terms and conditions as set forth in the First Offer Notice and this Section 1.3.5. Notwithstanding the foregoing, an otherwise valid exercise of Tenant's right of first offer shall be of full force and effect irrespective of whether such amendment or new lease is timely signed by Landlord and Tenant. Tenant shall commence payment of Rent for the First Offer Space, and the term of the First Offer Space shall commence upon the date of delivery of the First Offer Space to Tenant (the "**First Offer Commencement Date**") and shall terminate upon the date set forth in the First Offer Notice (the period commencing on the First Offer Commencement Date and ending upon the date set forth in the First Offer Notice shall be referred to herein as the "**First Offer Term**").

1.3.6 **Termination of Right of First Offer**. The rights contained in this Section 1.3 shall be personal to the Original Tenant and any Permitted Transferee, and may only be exercised by the Original Tenant and any Permitted Transferee (and not by any other assignee, sublessee or other transferee of Tenant's interest in the Lease) if the Original Tenant occupies at least three (3) full floors in the Building (whether under this Lease and/or the existing "Sublease" (as that term is defined in Section 2.1 below)) as of the date of the attempted exercise of the right of first offer by Tenant and as of the scheduled date of delivery of such First Offer Space to Tenant. Tenant shall not have the right to lease First Offer Space, as provided in this Section 1.3, if, as of the date of the attempted exercise of any right of first offer by Tenant, or, as of the scheduled date of delivery of such First Offer Space to Tenant, Tenant is in default under this Lease beyond the applicable notice and cure periods provided in this Lease or Tenant has previously been in default under this Lease beyond any applicable notice and cure period set forth in this Lease more than once during the prior twelve (12) month period.

ARTICLE 2

LEASE TERM; OPTION TERM

2.1 **Lease Term**. The TCCs and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Initial Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. Tenant shall have the right to occupy the Initial Premises for the conduct of Tenant's business prior to the Initial Lease Commencement Date, provided that (i) Tenant shall give Landlord at least five (5) days' prior notice of any such occupancy of the Initial Premises, (ii) a certificate of occupancy, temporary certificate of occupancy, or its legal equivalent shall have been issued by the appropriate governmental authorities for the Initial Premises, and (iii) all of the terms and conditions of this Lease shall apply, other than Tenant's obligation to pay "Rent" (as that term is defined below), as though the Initial Lease Commencement Date had

occurred (although the Initial Lease Commencement Date shall not actually occur until the occurrence of the same pursuant to the terms of Section 3.2 of the Summary) upon such occupancy of the Initial Premises by Tenant. Tenant acknowledges that Tenant currently occupies the Must-Take Space pursuant to that certain Sublease dated as of December 8, 2010, as amended by the certain First Amendment to Sublease dated as of June 23, 2011 (together, the "**Sublease**") by and between Slide, Inc., a Delaware corporation, as predecessor-in-interest to Google, Inc., a Delaware corporation ("**Sublandlord**"), as sublandlord, and Tenant, as subtenant. The term of the Sublease of the Must-Take Space is scheduled to expire on May 31, 2014. The term of Sublandlord's lease of the Must-Take Space is scheduled to expire on June 30, 2014, which is after the expiration of the Sublease but prior to the Must-Take Lease Commencement Date. Accordingly, Tenant hereby agrees that (i) Tenant shall be solely responsible for making arrangements with Sublandlord regarding Tenant's continued occupancy of the Must-Take Space prior to the Must-Take Lease Commencement Date, and (ii) if Landlord does not tender possession of the Must-Take Space to Tenant on or before the Must-Take Lease Commencement Date or any other particular date, for any reason whatsoever (including, without limitation, if Sublandlord retakes possession of the Must-Take Space prior to the Must-Take Lease Commencement Date and thereafter holds over in the Must-Take Space), Landlord shall not be liable for any damage thereby, and this Lease shall not be void or voidable thereby, in which case Base Rent shall not commence to be payable with respect to the Must-Take Space until Landlord tenders possession of the Must-Take Space to Tenant. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Initial Lease Commencement Date and end on the last day of the month in which the first anniversary of the Initial Lease Commencement Date occurs and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit F**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within five (5) days of receipt thereof.

2.2 **Option Term**.

2.2.1 **Option Right**. Landlord hereby grants the Original Tenant and its "Permitted Transferee Assignee," as that term is set forth in Section 14.8 of this Lease, one (1) option to extend the Lease Term for the entire Premises by a period of five (5) years (the "**Option Term**"). Such option shall be exercisable only by Notice delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such Notice, (i) Tenant is not then in default under this Lease (beyond any applicable notice and cure periods provided under this Lease), (ii) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods provided under this Lease) more than once during the prior twelve (12) month period, and (iii) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods provided under this Lease) more than three (3) times during the Lease Term. Upon the proper exercise of such option to extend, and provided that, as of the end of the Lease Term, (A) Tenant is not in default under this Lease (beyond any applicable notice and cure periods provided under this Lease), (B) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods provided under this Lease) more than once during the prior twelve (12) month period, and (C) Tenant has not been in default under this

Lease (beyond any applicable notice and cure periods provided under this Lease) more than three (3) times during the Lease Term, then the Lease Term, as it applies to the entire Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall only be exercised by the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if Original Tenant and/or its Permitted Transferee Assignee is in occupancy of at least three (3) full floors in the Building (whether under this Lease and/or the existing Sublease).

2.2.2 **Option Rent**. The Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the "Market Rent," as that term is defined in, and determined pursuant to, **Exhibit H** attached hereto; provided, however, that the Market Rent for each Lease Year during the Option Term, shall be equal to the amount set forth on a "Market Rate Schedule," as that term is defined below. The "**Market Rate Schedule**" shall be derived from the Market Rent for the Option Term as determined pursuant to **Exhibit H**, attached hereto, as follows: (i) the Market Rent for the first Lease Year of the Option Term shall be equal to the sum of (a) the Market Rent, as determined pursuant to **Exhibit H**, (b) the amount of Direct Expenses applicable to the Premises, as reasonably determined by Landlord, for the calendar year in which the Option Term commences, and (c) an amount equal to the monthly amortization reimbursement payment for the "Renewal Allowance" (as defined in Section 3 of **Exhibit H** to this Lease) to be paid by Landlord in connection with Tenant's lease of the Premises for the Option Term, with such Renewal Allowance being amortized at a reasonable rate of return to Landlord based on the rates of return then being received by the landlords of the "Comparable Buildings" as that term is set forth in Section 4 of **Exhibit H** attached hereto, in connection with improvement allowances then be granted by such landlords, and (ii) the Market Rent for each subsequent Lease Year shall be equal to the prior Lease Year's Market Rent plus an amount equal to $1.00 per rentable square foot of the Premises.

2.2.3 **Exercise of Option**. The option contained in this Section 2.2 shall be exercised by Tenant, if at all, only in the manner set forth in this Section 2.2. Tenant shall deliver notice (the "**Exercise Notice**") to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the initial Lease Term or initial Option Term, as applicable, stating that Tenant is exercising its option. Concurrently with such Exercise Notice, Tenant shall deliver to Landlord Tenant's calculation of the Market Rent (the "**Tenant's Option Rent Calculation**"). Landlord shall deliver notice (the "**Landlord Response Notice**") to Tenant within thirty (30) days after receipt of Tenant's Exercise Notice (the "**Landlord Response Date**"), stating that (A) Landlord is accepting Tenant's Option Rent Calculation as the Market Rent, or (B) rejecting Tenant's Option Rent Calculation and setting forth Landlord's calculation of the Market Rent (the "**Landlord's Option Rent Calculation**"). Within ten (10) business days of its receipt of the Landlord Response Notice, Tenant may, at its option, accept the Market Rent contained in the Landlord's Option Rent Calculation. If Tenant does not affirmatively accept or Tenant rejects the Market Rent specified in the Landlord's Option Rent Calculation, the parties shall follow the procedure set forth in Section 2.2.4 below, and the Market Rent shall be determined in accordance with the terms of Section 2.2.4 below.

2.2.4 **Determination of Market Rent**. In the event Tenant objects or is deemed to have objected to the Market Rent, Landlord and Tenant shall attempt to agree upon the Market Rent using reasonable good-faith efforts. If Landlord and Tenant fail to reach

agreement within thirty (30) days following Tenant's objection or deemed objection to the Landlord's Option Rent Calculation (the "**Outside Agreement Date**"), then, within two (2) business days following such Outside Agreement Date, (x) Landlord may reestablish the Landlord's Option Rent Calculation by delivering written notice thereof to Tenant, and (y) Tenant may reestablish the Tenant's Option Rent Calculation by delivering written notice thereof to Tenant. If Landlord and Tenant thereafter fail to reach agreement within seven (7) business days of the Outside Agreement Date, then in connection with the Option Rent, Landlord's Option Rent Calculation and Tenant's Option Rent Calculation, each as most recently delivered to the other party pursuant to the TCCs of this Section 2.2, shall be submitted to the "Neutral Arbitrator," as that term is defined in Section 2.2.4.1 of this Lease, pursuant to the TCCs of this Section 2.2.4. The submittals shall be made concurrently with the selection of the Neutral Arbitrator pursuant to this Section 2.2.4 and shall be submitted to arbitration in accordance with Section 2.2.4.1 through 2.2.4.4 of this Lease, but subject to the conditions, when appropriate, of Section 2.2.3.

2.2.4.1 Landlord and Tenant shall mutually and reasonably appoint one (1) arbitrator who shall by profession be a real estate broker, appraiser or attorney who shall have been active over the five (5) year period ending on the date of such appointment in the leasing (or appraisal, as the case may be) of first-class, institutionally-owned, comparable commercial properties in the Comparable Area (the "**Neutral Arbitrator**"). The determination of the Neutral Arbitrator shall be limited solely to the issue of whether Landlord's Option Rent Calculation or Tenant's Option Rent Calculation, each as submitted to the Neutral Arbitrator pursuant to Section 2.2.4, above, is the closest to the actual Market Rent as determined by such Neutral Arbitrator, taking into account the requirements of Section 2.2.2 of this Lease. Such Neutral Arbitrator shall be appointed within fifteen (15) days after the applicable Outside Agreement Date. Neither the Landlord or Tenant or either party's arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior to, or subsequent to, his or her appearance. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.4.2 The Neutral Arbitrator shall, within thirty (30) days of his/her appointment, reach a decision as to Market Rent and determine whether the Landlord's Option Rent Calculation or Tenant's Option Rent Calculation, each as submitted to the Neutral Arbitrator pursuant to Section 2.2.4, above, is closest to Market Rent as determined by such Neutral Arbitrator and simultaneously publish a ruling ("**Award**") indicating whether Landlord's Option Rent Calculation or Tenant's Option Rent Calculation is closest to the Market Rent as determined by such Neutral Arbitrator. Following notification of the Award, the Landlord's Option Rent Calculation or Tenant's Option Rent Calculation, whichever is selected by the Neutral Arbitrator as being closest to Market Rent, shall become the then applicable Option Rent.

2.2.4.3 The Award issued by such Neutral Arbitrator shall be binding upon Landlord and Tenant.

2.2.4.4 If Landlord and Tenant fail to appoint the Neutral Arbitrator within fifteen (15) days after the applicable Outside Agreement Date, either

party may petition the presiding judge of the Superior Court of San Francisco County to appoint such Neutral Arbitrator subject to the criteria in Section 2.2.4.1 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Neutral Arbitrator.

The cost of the Neutral Arbitrator shall be paid by Landlord and Tenant equally.

ARTICLE 3

BASE RENT

3.1 **In General**. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever, except as otherwise provided in Section 6.5 of this Lease. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any such fractional month shall accrue on a daily basis during such fractional month and shall total an amount equal to the product of (i) a fraction, the numerator of which is the number of days in such fractional month and the denominator of which is the actual number of days occurring in such calendar month, and (ii) the then-applicable Monthly Installment of Base Rent. All other payments or adjustments required to be made under the TCCs of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Abated Base Rent**. Provided that no event of monetary default (beyond any applicable notice and cure periods) is then occurring, during the first three (3) months of the Lease Term after the Initial Lease Commencement Date (collectively, the "**Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Initial Premises for such Rent Abatement Period (the "**Rent Abatement**"). Tenant acknowledges and agrees that notwithstanding such Rent Abatement, such abatement of Base Rent shall have no effect on the calculation of any future increases in Base Rent, Operating Expenses or Tax Expenses payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such abatement of Base Rent or corresponding abatement periods. Such Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the rental and performing the terms and conditions otherwise required under this Lease. In the event of a default by Tenant under the terms of this Lease that results in early termination pursuant to the provisions of Article 19 below, then as a part of Landlord's exercise of its remedies as set forth in Section 19.2 below, Landlord shall be entitled to make a claim to recover the monthly Base Rent that was abated under the provisions of this Section 3.2.

ARTICLE 4

ADDITIONAL RENT

4.1 **General Terms**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined in Sections 4.2.6 and 4.2.2, respectively, of this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the TCCs of this Lease, are hereinafter collectively referred to as the "**Additional Rent**," and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses," "Tax Expenses" and "Utilities Costs."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, in accordance with sound real estate management and accounting principles, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of operating, repairing, maintaining, replacing, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project; (vi) fees and other costs, including management fees (subject to the terms of subsection (o) below), consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance, replacement,

renovation and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space which may be located outside the Project (provided, however, that to the extent such management office space serves other projects in addition to the Project, then the amount of such fair rental value included in Operating Expenses hereunder shall be prorated based on the square footage of the Project vis-a-vis the square footage of other projects also managed from such management office space); (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons (other than persons generally considered to be higher in rank than the position of "Senior Asset Manager") engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project, provided that such costs under such instrument are not otherwise excluded as an Operating Expense hereunder; (x) operation, repair, maintenance, renovation and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial (provided to the Common Areas), alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and repair of curbs and walkways, and repair to roofs; (xii) amortization of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof (which amortization calculation shall include interest at the "Interest Rate," as that term is set forth in Article 25 of this Lease); (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are reasonably intended to effect economies in the operation or maintenance of the Project, to the extent of cost savings reasonably anticipated by Landlord at the time of such expenditure to be incurred in connection therewith, (B) that are required to comply with present or anticipated conservation programs or to otherwise further sustainability measures, or (C) that are required under any governmental law or regulation by a federal, state or local governmental agency, except for capital repairs, replacements or other improvements to remedy a condition existing prior to the Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Lease Commencement Date, would have then required to be remedied pursuant to then-current governmental laws or regulations in their form existing as of the Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Lease Commencement Date; provided, however, that any capital expenditure shall be amortized with interest at the Interest Rate over (X) its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting principles, or (Y) with respect to those items included under item (A) above, their recovery/payback period as Landlord shall reasonably determine in accordance with sound real estate management and accounting principles; provided, however, those costs set forth in item (A) above shall be amortized over the recovery/payback period reasonably determined by Landlord; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; and (xv) except to the extent set forth in the last paragraph of this Section 4.2.4. below, costs of any additional services not provided to the Building and/or the Project as of the Lease Commencement Date but which are thereafter provided by Landlord in connection with its

prudent management of the Building and/or the Project. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier (excepting deductibles) or any tenant's carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants, and Landlord's general corporate overhead and general and administrative expenses;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project (provided that the wages and benefits of all Project management personnel shall be prorated based on the square footage of the Project vis-a-vis the square footage of other projects also managed by such personnel); provided, however, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Senior Asset Manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge or parking attendant at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;

(m) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(n) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the Comparable Buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(o) fees payable by Landlord for management of the Project in excess of three and one-half percent (3.5%) of Landlord's gross revenues, adjusted and grossed up to reflect a one hundred percent (100%) occupancy of the Project with all tenants paying full rent, as contrasted with free rent, half-rent and the like, including base rent, pass-throughs, and parking fees from the Project for any calendar year or portion thereof;

(p) costs of any penalty or fine incurred by Landlord due to Landlord's violation of any federal, state or local law or regulation;

(q) costs to the extent arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services; and

(r) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) which hazardous material was in existence in the Building or on the Project prior to the date hereof, or is brought into the Building or onto the Project after the date hereof by Landlord or any other party other than Tenant or any of the "Tenant Parties" (as that term is defined below).

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord may elect to make an appropriate adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Notwithstanding anything to the contrary set forth in this Article 4, Operating Expenses for the Base Year shall include market-wide cost increases (including utility rate increases) due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs; provided, however, that at such time as any such increases in such particular charges, costs or fees are no longer included in Operating Expenses, such increases in such particular charges, costs or fees shall be excluded from the Base Year calculation of Operating Expenses. In no event shall the components of Direct Expenses for any Expense Year related to Tax Expenses be less than the corresponding components of Direct Expenses related to Tax Expenses in the Base Year. Landlord shall not (i) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) subject to Landlord's right to adjust the components of Operating Expenses described above in this paragraph, collect Operating Expenses from Tenant and all other tenants in the Building in an amount in excess of what Landlord incurs for the items included in Operating Expenses.

4.2.5 **Taxes**.

4.2.5.1 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall accrue during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof. Tax Expenses for any Expense Year (including a Base Year) shall reflect any reassessment under Proposition 13 as a result of any sale, refinancing or change in ownership of the Project (including, without limitation, the 2011 acquisition of the Project by the Landlord originally named herein); provided that, if any such reassessment has not occurred as of the end of any Expense Year (including a Base Year), then

Landlord shall retroactively recalculate Tax Expenses for such Expense Year to include any increases in Tax Expenses as a result of such reassessment once such reassessment has occurred.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof. Any documentary transfer tax or other similar assessment, tax, fee, levy or charge, upon the consummation of this transaction (as opposed to the Rent payable hereunder) or any document to which Landlord and Tenant are parties, creating or transferring an interest or an estate in the Premises (as opposed to any document executed in connection with a "Transfer" as that term is defined in Section 14.1, below) shall be excluded from Tax Expenses; provided, however, Tenant shall be responsible for any rent tax, sales tax, service tax, transfer tax, value added tax or other applicable tax on the Rent payable hereunder pursuant to Section 4.5.3 below.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Except as set forth in Section 4.2.5.4, below, refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid as an increase in the Tax Expenses by Tenant included as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord, within thirty (30) days after request from Landlord, Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the TCCs of this Lease. Notwithstanding anything to

the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.1, above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year and any Expense Year shall be calculated without taking into account any decreases in real estate taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year and/or an Expense Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under this Lease; provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction shall not be included in Direct Expenses for purposes of this Lease, and (ii) tax refunds under Proposition 8 shall not be deducted from Tax Expenses, but rather shall be the sole property of Landlord. Landlord and Tenant acknowledge that this Section 4.2.5.4 is not intended to in any way affect (A) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual maximum allowable increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (B) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13, which shall be governed pursuant to the terms of Sections 4.2.5.1 through 4.2.5.3, above.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.2.7 "**Utilities Costs**" shall mean all actual charges for utilities for the Building and the Project which Landlord shall pay during any Expense Year, including, but not limited to, the costs of water, sewer and electricity, and the costs of HVAC (including the cost of electricity to operate the HVAC air handlers) and other utilities (but excluding those charges for which tenants directly reimburse Landlord or otherwise pay directly to the utility company) as well as related fees, assessments and surcharges. Utilities Costs shall be calculated assuming the Buildings (and during the period of time when any other office buildings are fully constructed and ready for occupancy and are included by Landlord within the Project), are at least ninety-five percent (95%) occupied. If, during all or any part of any Expense Year, Landlord shall not provide any utilities other than gas and electricity (the cost of which, if provided by Landlord, would be included in Utilities Costs) to a tenant (including Tenant) who has undertaken to provide the same instead of Landlord, Utilities Costs shall be deemed to be increased by an amount equal to the additional Utilities Costs which would reasonably have been incurred during such period by Landlord if Landlord had at its own expense provided such utilities to such tenant. Utilities Costs shall include any costs of utilities which are allocated to the Real Property under any declaration, restrictive covenant, or other instrument pertaining to the sharing of costs by the Real Property or any portion thereof, including any covenants, conditions or restrictions now or hereafter recorded against or affecting the Real Property. Notwithstanding anything to the contrary set forth in this Article 4, Utilities Costs for the Utilities Base Year shall not include any one time special charges, costs or fees or extraordinary charges or costs incurred in the Utilities

Base Year only, including those attributable to boycotts, embargoes, strikes or other shortages of services or fuel; provided, however, that at such time as any such increases in such particular charges, costs or fees are no longer included in Utilities Costs, such increases in such particular charges, costs or fees shall be excluded from the Utilities Base Year calculation of Utilities Cost. For purposes hereof, the "**Utilities Base Year**" shall mean the applicable Base Year.

4.3 **Cost Pools**. Landlord shall have the right, from time to time, to equitably allocate some or all of the Direct Expenses for the Project among different portions or occupants of the Project (the "**Cost Pools**"), in Landlord's reasonable discretion. Such Cost Pools may include, but shall not be limited to, the office space tenants of a building of the Project or of the Project, and the retail space tenants of a building of the Project or of the Project. The Direct Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner.

4.4 **Calculation and Payment of Additional Rent**. If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses for such Expense Year exceeds Tenant's Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the "**Excess**").

4.4.1 **Statement of Actual Building Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant following the end of each Expense Year, a statement (the "**Statement**") which shall state in general major categories the Building Direct Expenses incurred or accrued for the Base Year or such preceding Expense Year, as applicable, and which shall indicate the amount of the Excess. Landlord shall use commercially reasonable efforts to deliver such Statement to Tenant on or before May 1 following the end of the Expense Year to which such Statement relates. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Building Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Building Direct Expenses attributable to any Expense Year which are first billed to Tenant more than one (1) calendar year after the close of the applicable Expense Year, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses which (x) were levied by any governmental authority or by any public utility companies, and (y) Landlord had not previously received an invoice therefor and which are currently due and owing *(i.e.,* costs invoiced for the first time regardless of the date when the work or service relating to this Lease was performed), at any time following the Lease Expiration Date which are attributable to any Expense Year.

4.4.2 **Statement of Estimated Building Direct Expenses**. In addition, Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Building Direct Expenses for the then-current Expense Year shall be and the estimated excess (the "**Estimated Excess**") as calculated by comparing the Building Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Building Direct Expenses for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Additional Rent under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain books and records with respect to Building Direct Expenses in accordance with generally accepted real estate accounting and management practices, consistently applied.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible**.

4.5.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 Intentionally Omitted.

4.5.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, or (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility.

4.6 **Landlord's Books and Records**. Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable cure period provided in this Lease, specifically including, but not limited to, the timely payment of Additional Rent (whether or not the same is subject of the audit contemplated herein), Landlord shall furnish Tenant with such reasonable supporting documentation in connection with said Direct Expenses as Tenant may reasonably request. Landlord shall provide said information to Tenant within forty-five (45) days after Tenant's written request therefor. Within one hundred eighty (180) days after receipt of a Statement by Tenant (the "**Review Period**"), if Tenant disputes the amount of Additional Rent set forth in the Statement, an independent certified public accountant (which accountant (A) is a member of a nationally or regionally recognized accounting firm which has previous experience in reviewing financial operating records of landlords of office buildings, (B) is not working on a contingency fee basis [i.e., Tenant must be billed based on the actual time and materials that are incurred by the accounting firm in the performance of the audit], and (C) shall not currently or in the future be providing accounting and/or lease administration services to another tenant in the Building and/or the Project in connection with a review or audit by such other tenant of Direct Expenses), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, audit Landlord's records with respect to the Statement at Landlord's corporate offices, provided that (*i*) Tenant is not then in default under this Lease (beyond any applicable notice and cure periods provided under this Lease), *(ii)* Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be, and *(iii)* a copy of the audit agreement between Tenant and its particular auditor has been delivered to Landlord prior to the commencement of the audit. In connection with such audit, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding audits of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such audit. Any audit report prepared by Tenant's auditors shall be delivered concurrently to Landlord and Tenant within the one hundred eighty (180) day period referenced above. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within the Review Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such audit, Tenant still disputes such Additional Rent, an audit as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such auditing by the Accountant proves that Direct Expenses were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such audit shall be paid for by Landlord, and Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount by which the Direct Expenses were overstated. Tenant hereby acknowledges that Tenant's sole right to audit Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to audit such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

ARTICLE 5

USE OF PREMISES

5.1 **Permitted Use**. Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses**. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) medical offices of any health care professionals or service organization; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant shall not allow occupancy density of use of the Premises which is greater than one (1) person per one hundred twenty-five (125) rentable square feet of the Premises. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations set forth in **Exhibit D**, attached hereto, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a discriminatory manner and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business or materially increase Tenant's economic obligations under this Lease. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises.

5.3 **CC&Rs**. As of the date of this Lease, Landlord hereby represents that there are no existing recorded easements, covenants, conditions, or restrictions affecting the Project with which Tenant is required to comply. Notwithstanding the foregoing, Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions (collectively, the "**CC&Rs**") hereafter affecting the Project, provided that Landlord shall not enter into any CC&Rs affecting the Project after the date of this Lease which prevents Tenant from using, or unreasonably interferes with Tenant's use of or access to, the Premises for the Permitted Use, or otherwise materially adversely affects Tenant's rights or materially increases Tenant's costs under this Lease.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services**. Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning ("**HVAC**") when necessary for normal comfort for normal office use in the Premises from 7:00 A.M. to 6:00 P.M. Monday through Friday (collectively, the "**Building Hours**"), except for the date of observation of New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday immediately following Thanksgiving Day, Christmas Day and, at Landlord's discretion, other locally or nationally recognized holidays (collectively, the "**Holidays**"). The daily time periods identified hereinabove are sometimes referred to as the "**Business Hours**."

6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for in amounts at least equal to five (5) watts per rentable square foot during the Building Hours on a monthly basis (for connection to Tenant's lighting fixtures and incidental use equipment and for Building Systems serving the Premises). Tenant will design Tenant's electrical system serving any equipment producing nonlinear electrical loads to accommodate such nonlinear electrical loads, including, but not limited to, oversizing neutral conductors, derating transformers and/or providing power-line filters. Engineering plans shall include a calculation of Tenant's fully connected electrical design load with and without demand factors and shall indicate the number of watts of unmetered and submetered loads. Landlord shall designate the electricity utility provider from time to time.

6.1.3 As part of Operating Expenses, Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. In addition, Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.4 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes (including hot water for the lavatory only).

6.1.5 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Common Areas, and exterior window washing services in a manner consistent with other comparable buildings in the vicinity of the Project.

6.1.6 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, and shall have at least one elevator available at all other times. Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.

Tenant shall reasonably cooperate with Landlord and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 **Janitorial**. Landlord shall not be obligated to provide janitorial or refuse removal services to the Premises or to Tenant. Tenant shall be solely responsible, at Tenant's sole cost and expense, for performing all janitorial and refuse removal services and other cleaning of the Premises consistent with the character of a first-class office project; provided, however that the provider of such janitorial and refuse removal services shall be subject to Landlord's approval, which shall not be unreasonably withheld or delayed. Tenant shall store in the area designated by Landlord in its sole discretion all trash and garbage in neat and clean containers so as not to be visible to members of the public visiting the Project. Tenant shall deposit trash daily in the area and in the manner designated by Landlord from time to time, which trash shall be sealed in double plastic bags. If requested by Landlord, Tenant shall promptly present a cleaning and maintenance schedule to Landlord for approval, and shall clean and maintain the Premises in accordance with such schedule. Landlord shall have the right to inspect the Premises upon reasonable notice to Tenant and to require Tenant to provide additional cleaning of the Premises, if reasonably necessary. In the event Tenant shall fail to provide any of the services described in this Section 6.2 within thirty (30) days after written notice from Landlord, which notice shall not be required in the event of an emergency, Landlord shall have the right to provide such services and any charge or cost incurred by Landlord in connection therewith shall be deemed Additional Rent due and payable by Tenant upon receipt by Tenant of a written statement of cost from Landlord. Failure of Tenant to comply with any one or more of the foregoing provisions shall be deemed to be a default under this Lease.

6.3 **Overstandard Tenant Use**. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to require installation of supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, upon billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, on demand, at the rates charged by the public utility company furnishing the same, including the cost of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer server or electronic data processing equipment in the Premises to the extent such devices may materially affect the temperature otherwise maintained by the air conditioning

system for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease, without the prior written consent of Landlord. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish.

6.4 **Interruption of Use**. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, except as otherwise provided in Section 6.5 or elsewhere in the Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.5 **Abatement of Rent**. If (i) Landlord fails to perform the obligations required of Landlord under the TCCs of this Lease, (ii) such failure causes all or a portion of the Premises to be untenantable and unusable by Tenant, and (iii) such failure relates to (A) the nonfunctioning of the heat, ventilation, and air conditioning system in the Premises, the electricity in the Premises, the nonfunctioning of the elevator service to the Premises, or (B) a failure to provide access to the Premises, Tenant shall give Landlord notice (the "**Initial Notice**"), specifying such failure to perform by Landlord (the "**Abatement Event**"). If Landlord has not cured such Abatement Event within three (3) business days after the receipt of the Initial Notice (the "**Eligibility Period**"), Tenant may deliver an additional notice to Landlord (the "**Additional Notice**"), specifying such Abatement Event and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not cure such Abatement Event within three (3) business days of receipt of the Additional Notice, Tenant may, upon written notice to Landlord, immediately abate Rent payable under this Lease for that portion of the Premises rendered untenantable and not used by Tenant, for the period beginning on the date three (3) business days after the Initial Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity for a Abatement Event. Except as provided in this Section 6.5, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

ARTICLE 7

REPAIRS

Landlord shall maintain in first-class condition and operating order and keep in good repair and condition the structural portions of the Building, including the foundation, floor/ceiling slabs, roof structure (as opposed to roof membrane), curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), stairs, stairwells, elevator cab, men's and women's washrooms, Building mechanical, electrical and telephone closets, and all common and public areas servicing the Building, including the parking areas, landscaping and exterior Project signage (collectively, "**Building Structure**") and the Base Building mechanical, electrical, life safety, plumbing, sprinkler systems and HVAC systems which were not constructed by Tenant Parties (collectively, the "**Building Systems**") and the Project Common Areas. Notwithstanding anything in this Lease to the contrary, Tenant shall be required to repair the Building Structure and/or the Building Systems to the extent caused due to Tenant's use of the Premises for other than normal and customary business office operations, unless and to the extent such damage is covered by insurance carried or required to be carried by Landlord pursuant to Article 10 and to which the waiver of subrogation is applicable (such obligation to the extent applicable to Tenant as qualified and conditioned will hereinafter be defined as the "**BS/BS Exception**"). Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, and the floor or floors of the Building on which the Premises are located, in good order, repair and condition at all times during the Lease Term, but such obligation shall not extend to the Building Structure and the Building Systems except pursuant to the BS/BS Exception. In addition, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant; provided, however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, after written notice to Tenant and Tenant's failure to repair within five (5) business days thereafter, but need not, make any repairs and replacements, and Tenant shall pay Landlord the out-of-pocket costs thereof, plus ten percent (10%) of such out-of-pocket costs thereof to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. Subject to the terms of Article **27** below, Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord may be allowed to do under this Lease or required to do by governmental or quasi-governmental authority or court order or decree; provided, however, except for emergencies, any such entry into the Premises by Landlord shall be performed in a manner so as not to materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than fifteen (15) business days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations do not (i) adversely affect the systems and equipment of the Building, exterior appearance of the Building, or structural aspects of the Building, or (ii) adversely affect the value of the Premises or Building (the "**Cosmetic Alterations**"). The construction of the initial improvements to the Premises shall be governed by the terms of the Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors reasonably approved by Landlord, and the requirement that upon Landlord's timely request (as more particularly set forth in Section 8.5, below). Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term in accordance with the terms of Section 8.5, below. If Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to do the work from appropriate governmental agencies, the furnishing of a copy of such permit to Landlord prior to the commencement of the work, and the compliance by Tenant with all conditions of said permit in a prompt and expeditious manner. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such hazardous materials or substances. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the City of San Francisco, all in conformance with Landlord's construction rules and regulations; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss Landlord's design parameters and code compliance issues. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord shall, at Tenant's expense, make such changes to the Base Building. The "**Base Building**" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to

obstruct the business of Landlord or other tenants in the Project. Tenant shall retain any union trades to the extent designated by Landlord. Further, Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and as a condition precedent to the enforceability and validity of Landlord's consent, Tenant shall deliver to the management office for the Project a reproducible copy of the "as built" and CAD drawings of the Alterations, to the extent applicable, as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. If payment is made directly to contractors, Tenant shall (i) comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's standard contractor's rules and regulations. If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to four percent (4%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of any such Alterations costing in excess of One Hundred Thousand Dollars ($100,000) and naming Landlord as a co-obligee.

8.5 **Landlord's Property**. Landlord and Tenant hereby acknowledge and agree that (a) all Alterations, and/or permanently affixed fixtures, equipment and/or appurtenances (including furniture and equipment permanently attached to the walls, ceiling or slab, but otherwise excluding trade fixtures, moveable equipment and other personal property of Tenant) which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become part of the Premises and the property of Landlord, and (b) the Improvements to be constructed in the Premises pursuant to the TCCs of the Work Letter shall, upon completion of the same, be and become a part of the Premises and the property of Landlord. Furthermore, Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease (but subject to the provisions of this Section 8.5), require Tenant, at Tenant's expense, to (i) remove any Alterations or

improvements in the Premises (including, without limitation, any of the "Improvements," as that term is defined in the Work Letter), and (ii) repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard improved condition as determined by Landlord; provided, however, if, in connection with its notice to Landlord with respect to any such Alterations or Cosmetic Alterations, (x) Tenant requests Landlord's decision with regard to the removal of such Alterations or Cosmetic Alterations, and (y) Landlord thereafter agrees in writing to waive the removal requirement with regard to such Alterations or Cosmetic Alterations, then Tenant shall not be required to so remove such Alterations or Cosmetic Alterations; provided further, however, that if Tenant requests such a determination from Landlord and Landlord, within ten (10) business days following Landlord's receipt of such request from Tenant with respect to Alterations or Cosmetic Alterations, fails to address the removal requirement with regard to such Alterations or Cosmetic Alterations, Landlord shall be deemed to have agreed to waive the removal requirement with regard to such Alterations or Cosmetic Alterations. In addition, without any requirement of written notice from Landlord, but subject to the provisions of this Section 8.5, prior to the expiration or earlier termination of this Lease, Tenant, at Tenant's expense, shall remove those improvements existing in the Premises as of the Date of this Lease and described in **Exhibit F** attached hereto and made a part hereof (the "**Required Removables**") and shall repair any damage to the Premises and Building caused by such removal and return the affected portions of the Premises to a building standard improved condition as determined by Landlord (such removal, repair and restoration being referred to herein as the "**Required Removable Work**"). Notwithstanding the foregoing, if Tenant reasonably estimates that Tenant's out-of-pocket costs to perform the Required Removable Work (Tenant's reasonable estimate of such out-of-pocket costs being referred to herein as the "**Required Removable Cost Estimate**") would exceed Twenty-Two Thousand and No/100 Dollars ($22,000.00) in the aggregate (the "**Required Removable Cost Cap**"), then, at any time prior to the expiration or earlier termination of this Lease, Tenant may deliver written notice to Landlord (the "**Required Removable Excess Cost Notice**") setting forth Tenant's Required Removable Cost Estimate (together with reasonable supporting documentation therefor) and requesting that Landlord advise Tenant of Landlord's election with respect to removal of the Required Removables. Landlord, within ten (10) business days following Landlord's receipt of the Required Removable Excess Cost Notice, shall deliver a written notice to Tenant (the "**Required Removable Election Notice**") advising Tenant (which election may be made in Landlord's sole discretion) either: (A) to proceed with the performance of the Required Removable Work, in which event Landlord, within thirty (30) days after receipt of an invoice (together with reasonable supporting documentation therefor), shall pay to Tenant an amount equal to the difference between (I) Tenant's total actual out-of-pocket costs incurred in connection with the Required Removable Work (but in no event in excess of the Required Removable Cost Estimate) less (II) the Required Removable Cost Cap; or (B) to pay to Landlord, prior to the expiration or earlier termination of this Lease, as Additional Rent hereunder, cash in the amount of the Required Removable Cost Cap, in which event Tenant shall have no further obligation to perform the Required Removable Work and the Required Removables shall be deemed to be and to have become part of the Premises and the property of Landlord. Landlord's failure to timely deliver to Tenant the Required Removable Election Notice shall be deemed to constitute Landlord's election of item (A) in the immediately preceding sentence, and Tenant shall proceed with the performance of the Required Removable Work accordingly. If Tenant fails to deliver the Required Removable Excess Cost Notice (or if

Tenant delivers the Required Removable Excess Cost Notice such that Landlord's timely delivery of the Required Removable Election Notice cannot be made prior to the expiration or earlier termination of this Lease), then Tenant shall be required to perform the Required Removable Work prior to the expiration or earlier termination of this Lease without contribution from Landlord. Notwithstanding any provision to the contrary contained herein, Tenant shall not be required to remove *(X)* any improvements (other than the Required Removables) existing in the Premises as of the Date of this Lease, or *(Y)* any Alterations, improvements (including the Improvements) or Cosmetic Alterations which are normal and customary business office improvements (provided that, in no event shall the Required Removables be considered normal and customary business office improvements). If Tenant fails to complete any such removal and/or to repair any damage caused by the removal of any Alterations or improvements (including the Required Removables) in the Premises, and to return the affected portion of the Premises to a building standard improved condition as determined by Landlord, then Landlord may do so and may charge the cost thereof to Tenant; provided that, if Landlord has elected item (A) above with respect to the Required Removables, then Landlord shall deduct from the cost thereof (only with respect to the Required Removables) the amount that Landlord otherwise would have been required to reimburse Tenant pursuant to said item (A); and further provided that the provisions of this sentence shall not apply with respect to the Required Removables if Landlord has elected item (B) above (although Tenant shall remain obligated to pay to Landlord cash in the amount of the Required Removable Cost Cap). Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, (provided that, with respect to the Improvements, Landlord shall be obligated to pay the Improvement Allowance) and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance arising out of the Improvements performed in accordance with the TCCs of the Work Letter (whether such Improvements are performed in the Initial Premises or the Must-Take Space), by bond or otherwise, within ten (10) business days after recordation of such lien or encumbrance (without the requirement of any notice by Landlord); and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof; in which case Landlord shall have the right (in its sole discretion) either (a) to draw down on the "L-C" (as that term is defined in Section 21.1, below) up to the face amount of the L-C, to reimburse Landlord for any amount so paid, or (b) to demand reimbursement from Tenant of any amount so paid

(which shall be deemed Additional Rent under this Lease), in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor. Tenant shall remove any such lien or encumbrance arising out of any Alterations, repairs or any other work performed by or for Tenant (other than the Improvements), by bond or otherwise, within ten (10) business days after notice by Landlord; and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof, in which case the amount so paid shall be deemed Additional Rent under this Lease payable upon demand. Landlord's rights under this Article 9 shall be without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

ARTICLE 10

INSURANCE

10.1 **Indemnification and Waiver**. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from: (a) any causes in, on or about the Premises; (b) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (c) any activity, work, or thing done, or permitted or suffered by Tenant in or about the Premises; (d) any acts, omission, or negligence of Tenant or any person claiming under Tenant, or the contractors, agents, employees, invitees, or visitors of Tenant or any such person (collectively, "**Tenant Parties**"); (e) any breach, violation, or nonperformance by Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person of any term, covenant, or provision of this Lease or any law, ordinance, or governmental requirement of any kind; (f) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Tenant; or (g) the placement of any personal property or other items within the Premises, provided that the foregoing indemnity shall not apply to the extent of the negligence or willful misconduct of Landlord or the Landlord Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this

Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance With Landlord's Fire and Casualty Insurance**. Tenant shall, at Tenant's expense, comply with Landlord's insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance**. Throughout the Lease Term, Tenant shall maintain the following coverages in the following amounts. The required evidence of coverage must be delivered to Landlord on or before the date required under Section 10.4(1) sub-sections (x) and (y), or Section 10.4(11) below (as applicable). Such policies shall be for a term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less.

10.3.1 Commercial General Liability Insurance, including Broad Form contractual liability covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) based upon or arising out of Tenant's operations, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be written on an "occurrence" basis. Landlord and any other party the Landlord so specifies that has a material financial interest in the Project, including Landlord's managing agent, ground lessor and/or lender, if any, shall be named as additional insureds as their interests may appear using Insurance Service Organization's formCG2011 or a comparable form approved by Landlord. Tenant shall provide an endorsement or policy excerpt showing that Tenant's coverage is primary and any insurance carried by Landlord shall be excess and non-contributing. The coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations. This policy shall include coverage for all liabilities assumed under this Lease as an insured contract for the performance of all of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. Limits of liability insurance shall not be less than the following; provided, however, such limits may be achieved through the use of an Umbrella/Excess Policy:

Bodily Injury and Property Damage Liability	$5,000,000 each occurrence
Personal Injury and Advertising Liability	$5,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	$1,000,000.00

10.3.2 Property Insurance covering (i) all office furniture, personal property, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's business personal property on the Premises installed by, for, or at the expense of Tenant, (ii) the "Improvements," as that term is defined in Section 2.1 of the Work Letter, and (iii) all Alterations performed in the Premises. Such insurance shall be written on a Special Form basis, for the full replacement cost value (subject to reasonable deductible amounts), without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for (a) all perils included in the CP 10 30 04 02 Coverage Special Form, and (b) water damage from any cause whatsoever, including, but not limited to, backup or overflow from sprinkler leakage, bursting, leaking or stoppage of any pipes, explosion, and backup or overflow from sewers or drains.

10.3.2.1 **Adjacent Premises**. Tenant shall pay for any increase in the premiums for the property insurance of the Project if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises.

10.3.2.2 **Property Damage**. Tenant shall use the proceeds from any such insurance for the replacement of personal property, trade fixtures and Alterations.

10.3.2.3 **No representation of Adequate Coverage**. Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's property, business operations or obligations under this Lease.

10.3.3 **Property Insurance Subrogation**. Landlord and Tenant intend that their respective property loss risks shall be borne by insurance carriers to the extent above provided (and, in the case of Tenant, by an insurance carrier satisfying the requirements of Section 10.4(i) below), and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers. Landlord and Tenant hereby represent and warrant that their respective "all risk" property insurance policies include a waiver of (i) subrogation by the insurers, and (ii) all rights based upon an assignment from its insured, against Landlord and/or any of the Landlord Parties or Tenant and/or any of the Tenant Parties (as the case may be) in connection with any property loss risk thereby insured against. Tenant will cause all other occupants of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord a waiver of claims similar to the waiver in this Section 10.3.3 and to obtain such waiver of subrogation rights endorsements. If either party hereto fails to maintain the waivers set forth in items (i) and (ii) above, the party not maintaining the requisite waivers shall indemnify, defend, protect, and hold harmless the other party for, from and against any and all claims, losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) arising out of, resulting from, or relating to, such failure.

10.3.4 Business Income Interruption for one year (l) plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.5 Worker's Compensation or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability with minimum limits of not less than $1,000,000 each accident/employee/disease.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) be issued by an insurance company having an AM Best rating of not less than A-X, or which is otherwise acceptable to Landlord and licensed to do business in the State of California, (ii) be in form and content reasonably acceptable to Landlord and complying with the requirements of Section 10.3 (including, Sections 10.3.1 through 10.3.6). (iii) Tenant shall not do or permit to be done anything which invalidates the required insurance policies, and (iv) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing. Tenant shall deliver said policy or policies or certificates thereof and applicable endorsements which meet the requirements of this Article 10 to Landlord on or before (I) the earlier to occur of: (x) the Lease Commencement Date, and (y) the date Tenant and/or its employees, contractors and/or agents first enter the Premises for occupancy, construction of improvements, alterations, or any other move-in activities, and (II) five (5) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates and applicable endorsements, Landlord may, at its option, after written notice to Tenant and Tenant's failure to obtain such insurance within five (5) days thereafter, procure such policies for the account of Tenant and the sole benefit of Landlord, and the cost thereof shall be paid to Landlord after delivery to Tenant of bills therefor.

10.5 **Additional Insurance Obligations**. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord. Notwithstanding the foregoing, Landlord's request shall only be considered reasonable if such increased coverage amounts and/or such new types of insurance are consistent with the requirements of a majority of Comparable Buildings.

10.6 **Third-Party Contractors**. Tenant shall obtain and deliver to Landlord, Third Party Contractor's certificates of insurance and applicable endorsements at least seven (7) business days prior to the commencement of work in or about the Premises by any vendor or any other third-party contractor (collectively, a "**Third Party Contractor**"). All such insurance shall (a) name Landlord as an additional insured under such party's liability policies as required by Section 10.3.1 above and this Section 10.6, (b) provide a waiver of subrogation in favor of Landlord under such Third Party Contractor's commercial general liability insurance, (c) be primary and any insurance carried by Landlord shall be excess and non-contributing, and (d) comply with Landlord's minimum insurance requirements.

10.7 **Landlord's Fire, Casualty, and Liability Insurance**.

10.7.1 Landlord shall maintain Commercial General Liability Insurance with respect to the Building during the Lease Term covering claims for bodily injury, personal injury and property damage in the Project Common Areas and with respect to Landlord's activities in the Premises.

10.7.2 Landlord shall insure the Building and Landlord's remaining interest in the Improvements and Alterations with a policy of Physical Damage Insurance including building ordinance coverage, written on a standard Causes of Loss - Special Form basis (against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage, vandalism, and malicious mischief, sprinkler leakage, water damage and special extended coverage), covering the full replacement cost of the Base Building, Premises and other improvements (including coverages for enforcement of Applicable Laws requiring the upgrading, demolition, reconstruction and/or replacement of any portion of the Building as a result of a covered loss) without a deduction for depreciation.

10.7.3 Landlord shall maintain Boiler and Machinery/Equipment Breakdown Insurance covering the Building against risks commonly insured against by a Boiler and Machinery/Equipment Breakdown policy and such policy shall cover the full replacement costs, without deduction for depreciation.

10.7.4 The foregoing coverages shall contain commercially reasonable deductible amounts from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine.

10.7.5 Additionally, at the option of Landlord, such insurance coverage may include the risk of (i) earthquake, (ii) flood damage and additional hazards, or (iii) a rental loss endorsement for a period of up to two (2) years.

10.7.6 Notwithstanding the foregoing provisions of this Section 10.7, the coverage and amounts of insurance carried by Landlord in connection with the Building shall, at a minimum, be comparable to the coverage and amounts of insurance which are carried by reasonably prudent landlords of Comparable Buildings. In addition, Landlord shall carry Worker's Compensation and Employer's Liability coverage as required by applicable law.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord**. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by

the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required to be carried under items (ii) and (iii) of Section 10.3.2 of this Lease with respect to the Improvements and any Alterations, and Landlord shall repair any injury or damage to the Improvements and such Alterations installed in the Premises and shall return such Improvements and such Alterations to their original condition; provided that if the cost of repair to the Improvements and such Alterations by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within sixty (60) days following the date the casualty becomes known to Landlord, Tenant shall, at its sole cost and expense, repair any injury or damage to the Improvements installed in the Premises and shall return such Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and if such damage is not the result of the willful misconduct of Tenant or Tenant's employees, contractors, licensees, or invitees, Landlord shall allow Tenant a proportionate abatement of Rent during the time and to the extent the Premises are unfit for occupancy, which proportionality shall be based on the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease and not occupied by Tenant as a result thereof bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt; (iii) the damage is not fully covered by Landlord's insurance policies; (iv) the

damage occurs during the last twelve (12) months of the Lease Term; or (v) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced, then Landlord shall deliver to Tenant a written notice (the "**Target Restoration Notice**") within sixty (60) days after the date of discovery of the damage setting forth the date on which Landlord estimates such repairs will be completed (the "**Target Restoration Date**"), and Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. Furthermore, if neither Landlord nor Tenant has terminated this Lease, and the repairs are not actually completed within sixty (60) days after the Target Restoration Date (or, if no Target Restoration Notice was given, then within one hundred eighty (180) days after commencement of such repairs), Tenant shall have the right to terminate this Lease until such time as the repairs are complete, by notice to Landlord (the "**Damage Termination Notice**"), effective as of a date set forth in the Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than ten (10) business days following the delivery of the Damage Termination Notice. Notwithstanding the foregoing, if Tenant delivers a Damage Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Damage Termination Date for a period ending thirty (30) days after the Damage Termination Date set forth in the Damage Termination Notice by delivering to Tenant, within five (5) business days of Landlord's receipt of the Damage Termination Notice, a certificate of Landlord's contractor responsible for the repair of the damage certifying that it is such contractor's good faith judgment that the repairs shall be substantially completed within thirty (30) days after the Damage Termination Date. If repairs shall be substantially completed prior to the expiration of such thirty-day period, then the Damage Termination Notice shall be of no force or effect, but if the repairs shall not be substantially completed within such thirty-day period, then this Lease shall terminate upon the expiration of such thirty-day period. At any time, from time to time, after the date occurring sixty (60) days after the date of the damage, Tenant may request that Landlord inform Tenant of Landlord's reasonable opinion of the date of completion of the repairs and Landlord shall respond to such request within five (5) business days, which response shall constitute a Target Restoration Notice. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) as a result of the damage, Tenant cannot reasonably conduct business from the Premises; and (c) as a result of the damage to the Project, Tenant does not occupy or use the Premises at all. In the event this Lease is terminated in accordance with the terms of this Section 11.2, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under items (ii) and (iii) of Section 10.3.2 of this Lease.

11.3 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any

and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

ARTICLE 12

NONWAIVER

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any material part of the Premises, Building or Project that would materially adversely affect Tenant's access to and use of the Premises shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because

of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 **Transfers**. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard consent document in connection with the documentation of such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space and (v) an executed estoppel certificate from

Tenant in the form attached hereto as **Exhibit E**. Landlord shall respond to Tenant in writing approving and disapproving of the proposed Transfer within fifteen (15) business days after receipt of the Transfer Notice. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord; provided that such costs and expenses shall not exceed Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) for a Transfer in the ordinary course of business. Landlord and Tenant hereby agree that a proposed Transfer shall not be considered "in the ordinary course of business" if such particular proposed Transfer involves the review of documentation by Landlord on more than two (2) occasions.

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project, or would be a significantly less prestigious occupant of the Building than Tenant;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right); or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord to lease space in the Project at such time, or (iii) has negotiated with Landlord during the six (6)-month period immediately preceding the Transfer Notice; provided that, in any such instance, Landlord has space available in the Project at the time of the request for consent that would reasonably satisfy such proposed Transferee's needs; or

14.2.8 The Transferee does not intend to occupy all or substantially all of the Subject Space and conduct its business therefrom for a substantial portion of the term of the Transfer.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, then Tenant's sole and exclusive remedy shall be to have the dispute resolved by arbitration seeking a decree of specific performance compelling Landlord to consent. The arbitration shall be by the office of the Judicial Arbitration & Mediation Services, Inc. closest to the Project and conducted pursuant to its Streamlined Arbitration Rules and Procedures. The arbitrator's powers shall be limited to granting or denying specific performance compelling Landlord to consent, or declaring the rights of the parties with respect to such consent. In addition, if this Lease otherwise provides for attorneys' fees, the arbitrator may award attorneys' fees and the fees and costs of the arbitration to the prevailing party.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent or other economic concessions reasonably provided to the Transferee, and (iii) any reasonable legal fees and brokerage commissions in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. For purposes of calculating any such effective rent all such concessions shall be amortized on a straight-line basis over the relevant term.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14, in the event that Tenant contemplates a Transfer

("**Contemplated Transfer**"), at any time after Tenant has received a bona fide offer from any proposed Transferee that Tenant is prepared to accept regarding the terms of an assignment or sublease concerning the "Contemplated Transfer Space" (as that term is defined below), but in any event prior to consummating any such Transfer, Tenant shall submit to Landlord a written notice setting forth the name and contact information of the proposed Transferee and all of the terms of the proposed Transfer and the consideration therefor, together with any letter of intent or other signed writing between Tenant and such proposed Transferee regarding the proposed Transfer, if any (such written notice, together with any such letter of intent or other signed writing being referred to herein as an "**Intention to Transfer Notice**"). The Intention to Transfer Notice shall, at a minimum, specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such Contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space for the remainder of the Lease Term; provided, however, that Landlord hereby acknowledges and agrees that Tenant shall have no obligation to deliver an Intention to Transfer Notice hereunder, and Landlord shall have no right to recapture space with respect to a sublease of less than seventy percent (70%) of the Premises for less than fifty percent (50%) of the remainder of the Lease Term. Thereafter, Landlord shall have the option, by giving written notice to Tenant within fifteen (15) business days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Any recapture under this Section 14.4 shall cancel and terminate this Lease with respect to Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture by Landlord, (i) Landlord shall install, on a commercially reasonable basis, any corridor and/or demising wall which is required as a result of a recapture by Landlord pursuant to the terms hereof, (ii) the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and (iii) this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Contemplated Transfer Space under this Section 14.4 in response to an Intention to Transfer Notice, then, provided Landlord consents to the proposed Transfer, and provided that the proposed Transfer is with the proposed Transferee named in the Intention to Transfer Notice and is substantially on the terms set forth in the Intention to Transfer Notice, Tenant shall be entitled to proceed to transfer the Contemplated Transfer Space to the proposed Transferee, subject to provisions of this Article 14, within the period of six (6) months following the date of the Intention to Transfer Notice ("**Six Month Period**"). If (a) the proposed Transfer is modified such that the terms of the modified proposed Transfer are more than ten percent (10%) more favorable to Tenant than the terms set forth in the Intention to Transfer Notice delivered to Landlord, or (b) the proposed Transfer is not consummated within the Six Month Period (or if the Transfer is so consummated, then upon the expiration of the term of the Transfer of such Transfer Space consummated within such Six Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Section 14.4.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be

deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by Tenant, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers**. For purposes of this Lease, subject to the terms of Section 14.8 below, the term "**Transfer**" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) or more of the partners, or transfer of more than fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation *(i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of more than fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of more than fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period. A Transfer pursuant to either clause (i) or (ii) above shall hereinafter be referred to as an "**Additional Transfer**."

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Deemed Consent Transfers**. Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant as of the date of this Lease), (B) a sale of corporate shares of capital stock in Tenant on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, (D) an assignment of the Lease to an entity which is the resulting entity of a merger or consolidation of Tenant during the Lease Term, or (E) an Additional Transfer, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee, sublessee, or resultant Tenant described in items (A) through (E) of this Section 14.8 hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least thirty (30) days prior to the effective date of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or Permitted Transferee as set forth above, (ii) Tenant is not in default, beyond any applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, (iv) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the greater of (1) the Net Worth of Original Tenant on the date of this Lease, and (2) the Net Worth of Tenant on the day immediately preceding the effective date of such assignment or sublease, (v) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "Control," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

ARTICLE 15

SURRENDER OF PREMISES: OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the greater of (i) one hundred fifty percent (150%) of the Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) one hundred fifty percent (150%) of the then fair market value applicable to the Premises as reasonably determined by Landlord. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit E,** attached hereto (or such other form as may be

required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year (i) upon the request of a prospective buyer or lender in connection with the disposition or refinance of the Building, (ii) upon a default by Tenant beyond any applicable notice and cure period expressly set forth in this Lease, (iii) upon the filing of bankruptcy by Tenant, and/or (iv) upon Landlord's request no more than once per calendar year for any reason other than the occurrence of the events set forth in sub-items (i) through (iii), above. Such statements shall be prepared in the form then customarily utilized by Tenant and certified by the preparing officer of the office of Tenant's chief financial officer that, to the best of such officer's knowledge, such statement accurately reflects Tenant's financials during each applicable time period. Landlord shall keep the information contained in Tenant's financial statements strictly confidential and shall not disclose such confidential information to any person or entity other than (i) Landlord's financial, legal, and construction consultants, and (ii) disclosures in filings required by the Securities Exchange Commission and customary disclosures on investor/earnings calls (or operation of the business of Landlord). Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18

SUBORDINATION

Landlord covenants that there is no existing mortgage, deed of trust or other encumbrance encumbering the Project or any portion thereof as of the date of this Lease. Accordingly, this Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto (collectively, the "**Superior Holders**"); provided, however, that in consideration of and as a condition precedent to Tenant's agreement to subordinate this Lease to any future ground or underlying lease, or mortgage, trust deed or other encumbrance, Tenant shall receive from such future Superior Holder a subordination non-disturbance and attornment agreement in the standard form customarily employed by such Superior Holder, with such commercially reasonable modifications as may be mutually agreed to by Tenant and such Superior Holder, which provides that so long as an event of default has not occurred and be continuing, the leasehold estate granted to Tenant and the rights of Tenant pursuant to this Lease to quiet and peaceful possession of the Premises shall not be terminated, modified, affected or disturbed by any action which such Superior Holder may take to terminate any such ground or underlying lease or to foreclose any

such mortgage, trust deed or other encumbrance, as applicable, and that any successor landlord shall recognize this Lease as being in full force and effect as if it were a direct lease between such successor landlord and Tenant (a "**SNDA**"). Landlord shall use its commercially reasonable efforts to obtain non-disturbance agreement(s) in favor of Tenant from any ground lessor, mortgage holders or lien holders of Landlord who later come into existence at any time prior to the expiration of the Lease Term. Subject to the SNDA(s) described above, Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease (or enter into a new lease for the balance of the Lease Term upon the same terms and conditions) and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the TCCs of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within five (5) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 19

DEFAULTS: REMEDIES

19.1 **Events of Default**. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2. any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of sixty (60) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, (i) Tenant or any guarantor of this Lease being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of such a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment of all of the Premises by Tenant; or

19.1.5 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or

19.1.6 Tenant's failure to occupy the Premises within sixty (60) business days after the Lease Commencement Date.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default**. Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(a) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(a) and (b), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 19.2.1(c), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant**. If Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Form of Payment After Default**. Following the second (2nd) occurrence of an event of default by Tenant (beyond any applicable notice and cure periods) occurring within any

twelve (12) month period, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.5 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.6 **Landlord Default**. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. Any award from a court or arbitrator in favor of Tenant requiring payment by Landlord which is not paid by Landlord within the time period directed by such award, may be offset by Tenant from Rent next due and payable under this Lease; provided, however, Tenant may not deduct the amount of the award against more than fifty percent (50%) of Base Rent next due and owing (until such time as the entire amount of such judgment is deducted) to the extent following a foreclosure or a deed-in-lieu of foreclosure.

ARTICLE 20

COVENANT OF QUIET ENJOYMENT

Landlord covenants that provided Tenant is not then in default under this Lease beyond any applicable notice and cure periods, Tenant shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the TCCs, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 21

LETTER OF CREDIT

21.1 **Delivery of Letter of Credit**. Tenant shall deliver to Landlord, concurrently with Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**")

in the amount set forth in Section 21.3 below (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco Bay Area, California office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "Fl", and a long term Fitch Rating which is not less than "A"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be substantially in the form of **Exhibit G**, attached hereto. Landlord hereby approves Bridge Bank as the Bank under this Lease. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than ninety (90) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev), International Chamber of Commerce Publication #500, or the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors, (G) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (H) if, following Tenant's entering into bankruptcy, this Lease is rejected or deemed rejected under Section 365 of the Bankruptcy Code, or (I) pursuant to Article 9 above, Landlord has paid the amount necessary to remove any lien or encumbrance arising out of the Improvements performed in accordance with the TCCs of the Work Letter, (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date

such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant.

21.2 **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages**.

21.3.1 **L-C Amount**. The L-C Amount shall be equal to the amount set forth in Section 8 of the Summary.

21.3.2 **Reduction of L-C Amount**. To the extent that Tenant is not in default under this Lease (beyond the applicable notice and cure period set forth in this Lease), the L-C Amount shall be reduced as follows:

Date of Reduction	L-C Amount
First (1st) anniversary of Initial Premises Lease Commencement Date	$800,000.00
Second (2nd) anniversary of Initial Premises Lease Commencement Date	$700,000.00
Third (3rd) anniversary of Initial Premises Lease Commencement Date	$600,000.00
Fourth (4th) anniversary of Initial Premises Lease Commencement Date	$500,000.00
Fifth (5th) anniversary of Initial Premises Lease Commencement Date	$400,000.00

Notwithstanding anything to the contrary set forth in this Section 21.3.2, in no event shall the L-C Amount as set forth above decrease during any period in which Tenant is in default under this Lease, but such decrease shall take place after such default is cured, provided that no such decrease shall thereafter take effect in the event this Lease is terminated early due to such default by Tenant.

21.3.3 **In General**. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Section 21.3.4 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than sixty (60) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease, then not later than one hundred twenty (120) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date

as one hundred twenty (120) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease, or (y) pursue its remedy under Section 21.3.4 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. In the event of an assignment by Tenant of its interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion, and the attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing.

21.4 **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any

proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statue, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

21.6 **Non-interference By Tenant**. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.7 **Waiver of Certain Relief**. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts**. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate (as defined below) and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the

applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

ARTICLE 22

INTENTIONALLY OMITTED

ARTICLE 23

SIGNS

23.1 **Full Floors**. Subject to Landlord's prior written approval, in its reasonable discretion, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, if the Premises comprise an entire floor of the Building, at its sole cost and expense, may install identification signage anywhere in the Premises including in the elevator lobby of the Premises, provided that such signs must not be visible from the exterior of the Building.

23.2 **Multi-Tenant Floors**. If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, at Landlord's cost (as opposed to any replacement suite signage requested by Tenant during the Lease Term, the cost of which shall be Tenant's), and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's Building standard signage program.

23.3 **Prohibited Signage and Other Items**. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

23.4 **Building Directory**. Tenant shall be entitled to reasonable signage on the Building directory located in the main Building lobby. Landlord shall install on the Building directory, at Landlord's sole cost and expense, the names initially requested by Tenant, provided that any modification to such names requested by Tenant subsequent to the initial installation of the same shall be at Tenant's sole cost and expense.

23.5 **Exterior Signage**. Subject to the terms of this Section 23.5, Landlord hereby grants to the Original Tenant the right to install identification signage displaying the name and logo of the Original Tenant (or its Permitted Transferee) on the exterior of the Building

(collectively, the "**Exterior Signage**") in locations determined by Landlord. The Exterior Signage shall be subject to Landlord's prior written approval, in its reasonable discretion, and shall be consistent with the quality, design and style of the Building and Project. The Exterior Signage shall also be subject to, and comply with, all applicable "Laws," as that term is defined in Article 24 below. In no event shall the approval by the City of San Francisco (the "**City**") or other applicable governmental authorities of the Exterior Signage be deemed a condition precedent to the effectiveness of this Lease (Tenant hereby acknowledging the historical nature of the Building), and if the City or other applicable governmental authorities do not approve the Exterior Signage (as the same may be altered by Tenant to obtain such approval), Tenant shall not be entitled to the Exterior Signage hereunder. Further, Tenant shall be responsible, at Tenant's sole cost, for obtaining any applicable permits or other governmental approval(s) applicable to, or required for, the Exterior Signage. Tenant shall be responsible for all costs and expenses incurred in connection with the design, construction, installation, repair, operation (including utilities costs), maintenance, compliance with applicable Laws, and removal of the Exterior Signage (collectively, "**Tenant's Signage Costs**"). Landlord shall have the right to bill Tenant for Tenant's Signage Costs, and Tenant shall deliver payment for such bill to Landlord within ten (10) days of Landlord's delivery of such bill to Tenant. The rights set forth in this Section 23.5 shall be personal to Original Tenant and any Permitted Transferee and may not be assigned to any other assignee, sublessee or other transferee of Original Tenant's interest in this Lease. In addition, Tenant's signage rights set forth in this Section 23.5 shall terminate at any time during the Lease Term that Original Tenant (or its Permitted Transferee) fails to physically occupy at least two (2) of the floors which constitute the Premises or that Tenant has subleased one-half (1/2) or more of the rentable square footage of the Premises. Notwithstanding the foregoing, the Exterior Signage shall not be changed without Landlord's prior written approval, in its reasonable discretion, provided that in no event shall any name or logo on the Exterior Signage be an "Objectionable Name or Logo," as that term is defined below. The term "**Objectionable Name or Logo**," shall mean any name or logo (or other sign content) which relates to an entity which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Building or which would otherwise reasonably offend a landlord of comparable first-class institutionally-owned office buildings in the vicinity of the Building. Upon the expiration of the Lease Term or the earlier termination of Tenant's signage rights under this Section 23.5, Tenant shall, at Tenant's sole cost and expense, remove the Exterior Signage and repair any and all damage to the Building caused by such removal and restore all affected areas to their original condition. In the event that Tenant fails to remove the Exterior Signage upon the expiration or earlier termination of the Lease Term, or within fifteen (15) days of receipt of written notice from Landlord informing Tenant that Tenant's rights under this Section 23.5 are being terminated, Landlord shall have the right to, at Tenant's sole cost and expense, remove the Exterior Signage and complete the repairs that are required of Tenant under this Section 23.5, and deliver an invoice to Tenant for the costs of such removal and repair, which invoice shall be payable by Tenant within ten (10) days from the date of Landlord's delivery of such invoice(s) to Tenant.

ARTICLE 24

COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply with all such Applicable Laws which relate to (i) Tenant's use of the Premises for non-general office use, (ii) the Alterations or the Improvements in the Premises, or (iii) the Base Building, but, as to the Base Building, only to the extent such obligations are triggered by Tenant's Alterations, the Improvements, or use of the Premises for non-general office use. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Landlord shall comply with all Applicable Laws relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith *(w)* would prohibit Tenant from obtaining or maintaining a building permit or a certificate of occupancy or its legal equivalent for the Premises, or (x) would (on other than a de minimis basis) negatively affect the safety of Tenant's employees or create a health hazard for Tenant's employees, or (y) would materially impair Tenant's use and occupancy of or reasonable access to the Premises for the Permitted Use, or *(z)* would materially impair Tenant's ability to perform, or materially delay Tenant's performance of, Alterations in the Premises; provided that, Landlord shall have no obligation to make any changes to the Premises as may be required to be made in connection with Alterations in the Premises. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent consistent with the terms of Section 4.2.4, above.

ARTICLE 25

LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder; provided, however, with regard to the first such failure in any twelve (12) month period, Landlord will waive such late charge to the extent Tenant cures such failure within five (5) days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late

charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at the "Interest Rate." For purposes of this Lease, the "**Interest Rate**" shall be an annual rate equal to the lesser of (i) the annual "**Bank Prime Loan**" rate cited in the Federal Reserve Statistical Release Publication H. 15(519), published weekly (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

ARTICLE 26

LANDLORD'S RIGHT TO CURE DEFAULT: PAYMENTS BY TENANT

26.1 **Landlord's Cure**. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement**. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Section 10.1 of this Lease; and (iii) in connection with any default by Tenant under this Lease, sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 27

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times (during Building Hours with respect to items (i) and (ii) below) and upon at least twenty-four (24) hours prior notice to Tenant (except in the case of an emergency) to enter the Premises, after first checking in with Tenant's receptionist or other representative of Tenant (if such receptionist or other representative is available at the time of such entry), to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers, or during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other Applicable Laws, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment.

Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes; provided, however, except for (x) emergencies, (y) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (z) repairs which are the obligation of Tenant hereunder, any such entry shall be performed in a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall be performed after normal business hours if reasonably practical. With respect to items (y) and (z) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein.

ARTICLE 28

TENANT PARKING

Tenant may rent from Landlord, on a monthly basis throughout the Lease Term, commencing on the Initial Lease Commencement Date, up to the amount of non-exclusive unreserved parking passes set forth in Section 9 of the Summary, all of which parking passes shall pertain to the Project parking facility. Tenant shall pay to Landlord (or its designee) for such parking passes on a monthly basis at the prevailing rate charged from time to time at the location of such parking passes. In addition to any fees that may be charged to Tenant in connection with its parking of automobiles in the Project parking facility, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of any parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict

access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions**. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability thereafter arising under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and

such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording or Publication**. Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded or otherwise published by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Landlord in the Building or (b) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an

amount equal to eighty percent (80%) of the value of the Building (as such value is determined by Landlord), provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except as to Tenant's obligations under Articles 5 and 24 of this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**. All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (A) delivered by a nationally recognized overnight courier, or (B) delivered personally. Any such Notice shall be delivered (i) to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 11 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default (but in no event less than thirty (30) days following such mortgagee or ground or underlying lessor's receipt of such notice) prior to Tenant's exercising any remedy available to Tenant. The party delivering Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail. As of the date of this Lease, any Notices to Landlord must be delivered to the following addresses:

Kilroy Realty, L.P.,
c/o Kilroy Realty Corporation
12200 West Olympic Boulevard, Suite 200
Los Angeles, California 90064
Attention: Legal Department

with copies to:

Kilroy Realty Corporation
12200 West Olympic Boulevard, Suite 200
Los Angeles, California 90064
Attention: Mr. John Fucci

and

Kilroy Realty Corporation
303 Second Street
Office of the Building, Suite N850
San Francisco, California 94107
Attention: Mr. David Starkey

and

Allen Matkins Leek Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067-6019
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several**. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law: WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Broker**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease,

excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Broker**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Broker pursuant to the terms of a separate commission agreement. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Broker, occurring by, through, or under the indemnifying party.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name and Signage**. Landlord shall have the right at any time to change the name of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants, and any proposed Transferee (provided that Tenant advises such proposed Transferee of the confidential nature of this Lease).

29.29 **Transportation Management**. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.30 **Building Renovations**. It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Work Letter.

However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project, the Building and/or the Premises including without limitation the parking structure, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building common areas and tenant spaces, (ii) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions.

29.31 **No Violation**. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.32 **Communications and Computer Lines**. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the "**Lines**") at the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor reasonably designated by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be (x) appropriately insulated to prevent excessive electromagnetic fields or radiation, (y) surrounded by a protective conduit reasonably acceptable to Landlord, and (z) identified in accordance with the "Identification Requirements," as that term is set forth hereinbelow, (iv) any Lines installed by or on behalf of Tenant servicing the Premises shall comply with all applicable governmental laws and regulations, and (v) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas), and (B) at the Lines' termination point(s) (collectively, the "**Identification Requirements**"). Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed by or on behalf of Tenant in

violation of these provisions, or which are at any time (1) are in violation of any Applicable Laws, (2) are inconsistent with then-existing industry standards (such as the standards promulgated by the National Fire Protection Association *(e.g.*, such organization's "2002 National Electrical Code")), or (3) otherwise represent a dangerous or potentially dangerous condition. Landlord further reserves the right to require that Tenant remove any and all Lines installed by or on behalf of Tenant located in or serving the Premises upon the expiration of the Lease Term or upon any earlier termination of this Lease.

29.33 **Hazardous Substances**.

29.33.1 **Definitions**. For purposes of this Lease, the following definitions shall apply: "**Hazardous Material(s)**" shall mean any solid, liquid or gaseous substance or material that is described or characterized as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the "Environmental Laws," as that term is defined below, or any other words which are intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, nuclear or radioactive matter, medical waste, soot, vapors, fumes, acids, alkalis, chemicals, microbial matters (such as molds, fungi or other bacterial matters), biological agents and chemicals which may cause adverse health effects, including but not limited to, cancers and /or toxicity. "**Environmental Laws**" shall mean any and all federal, state, local or quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, regulations or guidance or policy documents now or hereafter enacted or promulgated and as amended from time to time, in any way relating to (i) the protection of the environment, the health and safety of persons (including employees), property or the public welfare from actual or potential release, discharge, escape or emission (whether past or present) of any Hazardous Materials or (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials.

29.33.2 **Compliance with Environmental Laws**. Landlord covenants that during the Lease Term, Landlord shall comply with all Environmental Laws in accordance with, and as required by, the TCCs of Article 24 of this Lease. Tenant represents and warrants that, except as herein set forth, it will not use, store or dispose of any Hazardous Materials in or on the Premises. However, notwithstanding the preceding sentence, Landlord agrees that Tenant may use, store and properly dispose of commonly available household cleaners and chemicals to maintain the Premises and Tenant's routine office operations (such as printer toner and copier toner) (hereinafter the "**Permitted Chemicals**"). Landlord and Tenant acknowledge that any or all of the Permitted Chemicals described in this paragraph may constitute Hazardous Materials. However, Tenant may use, store and dispose of same, provided that in doing so, Tenant fully complies with all Environmental Laws.

29.33.3 **Tenant Hazardous Materials**. Tenant will (i) obtain and maintain in full force and effect all Environmental Permits (as defined below) that may be required from time to

time under any Environmental Laws applicable to Tenant or the Premises, and (ii) be and remain in compliance with all terms and conditions of all such Environmental Permits and with all other Environmental Laws. "**Environmental Permits**" means, collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with any Environmental Law. On or before the Lease Commencement Date and on each annual anniversary of the Commencement Date thereafter, as well as at any other time following Tenant's receipt of a reasonable request from Landlord, Tenant agrees to deliver to Landlord a list of all Hazardous Materials anticipated to be used by Tenant in the Premises and the quantities thereof. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials, which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building, and/or the Project or any portion thereof by Tenant and/or any Tenant Parties (such obligation to survive the expiration or sooner termination of this Lease). Nothing in this Lease shall impose any liability on Tenant for any Hazardous Materials in existence on the Premises, Building or Project prior to the Lease Commencement Date or brought onto the Premises, Building or Project after the Lease Commencement Date by any third parties not under Tenant's control.

29.33.4 **Landlord's Right of Environmental Audit**. Landlord may, upon reasonable notice to Tenant, be granted access to and enter the Premises no more than once annually to perform or cause to have performed an environmental inspection, site assessment or audit. Such environmental inspector or auditor may be chosen by Landlord, in its sole discretion, and be performed at Landlord's sole expense. To the extent that the report prepared upon such inspection, assessment or audit, indicates the presence of Hazardous Materials in violation of Environmental Laws caused by, or as a result of, Tenant or the Tenant Parties or anyone claiming through Tenant and/or the Tenant Parties, respectively, Tenant shall promptly, at Tenant's sole expense, comply with such recommendations or suggestions, including, but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor. Notwithstanding the above, if at any time, Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted any violations of any Environmental Law, then Landlord will be entitled to perform its environmental inspection, assessment or audit at any time, notwithstanding the above mentioned annual limitation, and Tenant must reimburse Landlord for the cost or fees incurred for such as Additional Rent.

29.33.5 **Indemnifications**. Landlord agrees to indemnify, defend, protect and hold harmless the Tenant Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials to the extent such liability, obligation, damage or costs was a result of actions caused or knowingly permitted by Landlord or a Landlord Party. Tenant agrees to indemnify, defend, protect and hold harmless the Landlord Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials or breach of any provision of this section, to the extent such liability, obligation, damage or costs was a result of actions caused or permitted by Tenant or a Tenant Party.

29.34 **Intentionally Omitted**.

29.35 **Development of the Project**.

29.35.1 **Subdivision**. Landlord reserves the right to further subdivide all or a portion of the Project. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from such subdivision.

29.35.2 **The Other Improvements**. If portions of the Project or property adjacent to the Project (collectively, the "**Other Improvements**") are owned by an entity other than Landlord, Landlord, at its option, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (i) for reciprocal rights of access and/or use of the Project and the Other Improvements, (ii) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Project and the Other Improvements, (iii) for the allocation of a portion of the Direct Expenses to the Other Improvements and the operating expenses and taxes for the Other Improvements to the Project, and (iv) for the use or improvement of the Other Improvements and/or the Project in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Project. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Project or any other of Landlord's rights described in this Lease.

29.35.3 **Construction of Project and Other Improvements**. Tenant acknowledges that portions of the Project and/or the Other Improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

29.36 **Intentionally Omitted**.

29.37 **Office and Communications Services**.

29.37.1 **The Provider**. Landlord has advised Tenant that certain office and communications services may be offered to tenants of the Building by a concessionaire under contract to Landlord ("**Provider**"). Tenant shall be permitted to contract with Provider for the provision of any or all of such services on such terms and conditions as Tenant and Provider may agree.

29.37.2 **Other Terms**. Tenant acknowledges and agrees that: (i) Landlord has made no warranty or representation to Tenant with respect to the availability of any such services, or the quality, reliability or suitability thereof; (ii) the Provider is not acting as the agent or representative of Landlord in the provision of such services, and Landlord shall have no liability or responsibility for any failure or inadequacy of such services, or any equipment or facilities used in the furnishing thereof, or any act or omission of Provider, or its agents, employees, representatives, officers or contractors; (iii) Landlord shall have no responsibility or liability for the installation, alteration, repair, maintenance, furnishing, operation, adjustment or removal of any such services, equipment or facilities; and (iv) any contract or other agreement

between Tenant and Provider shall be independent of this Lease, the obligations of Tenant hereunder, and the rights of Landlord hereunder, and, without limiting the foregoing, no default or failure of Provider with respect to any such services, equipment or facilities, or under any contract or agreement relating thereto, shall have any effect on this Lease or give to Tenant any offset or defense to the full and timely performance of its obligations hereunder, or entitle Tenant to any abatement of rent or additional rent or any other payment required to be made by Tenant hereunder, or constitute any accrual or constructive eviction of Tenant, or otherwise give rise to any other claim of any nature against Landlord.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"**LANDLORD**":

KILROY REALTY, L.P.,
a Delaware limited partnership

By: Kilroy Realty Corporation
a Maryland corporation,
Its General Partner

By: /s/ A. Christian Krogh
Name: A. Christian Krogh
Title: Asset Management, Vice President

By: /s/ John T. Fucci
Name: John T. Fucci
Title: Asset Management, Sr. Vice President

"**TENANT**":

STUMBLEUPON INC.,
a Delaware corporation

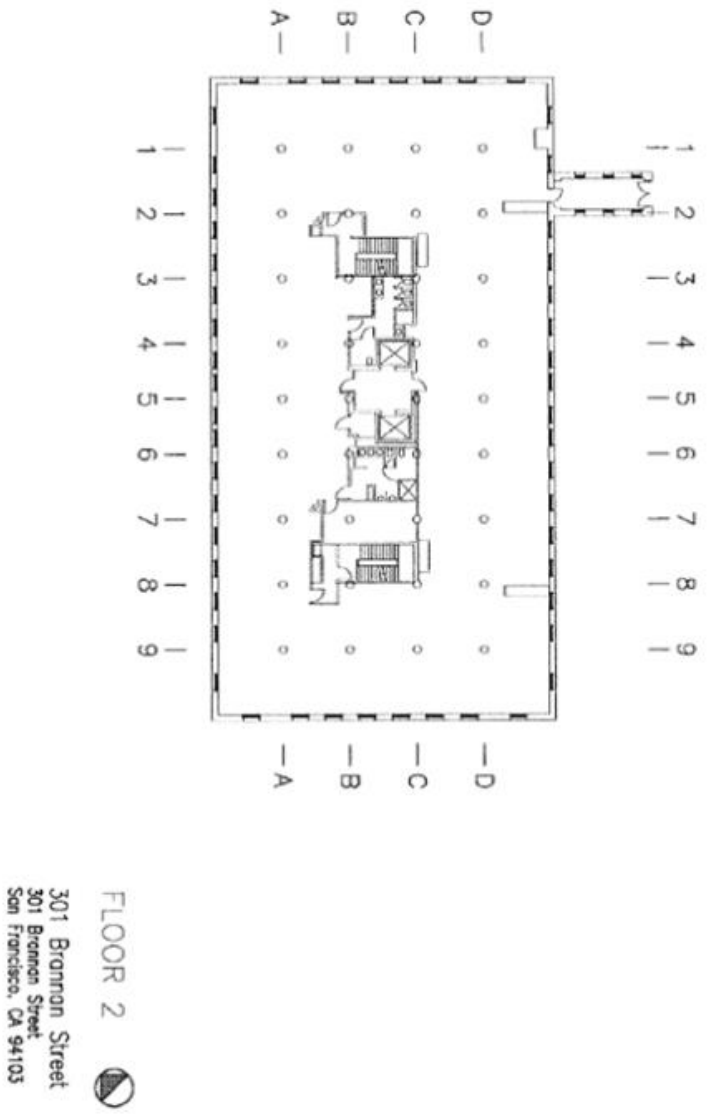
By: /s/ Mark Bartels
Name: Mark Bartels
Its: CFO

By: /s/ Garrett Camp
Name: Garrett Camp
Its: CEO

EXHIBIT A-1

301 BRANNAN STREET

OUTLINE OF INITIAL PREMISES



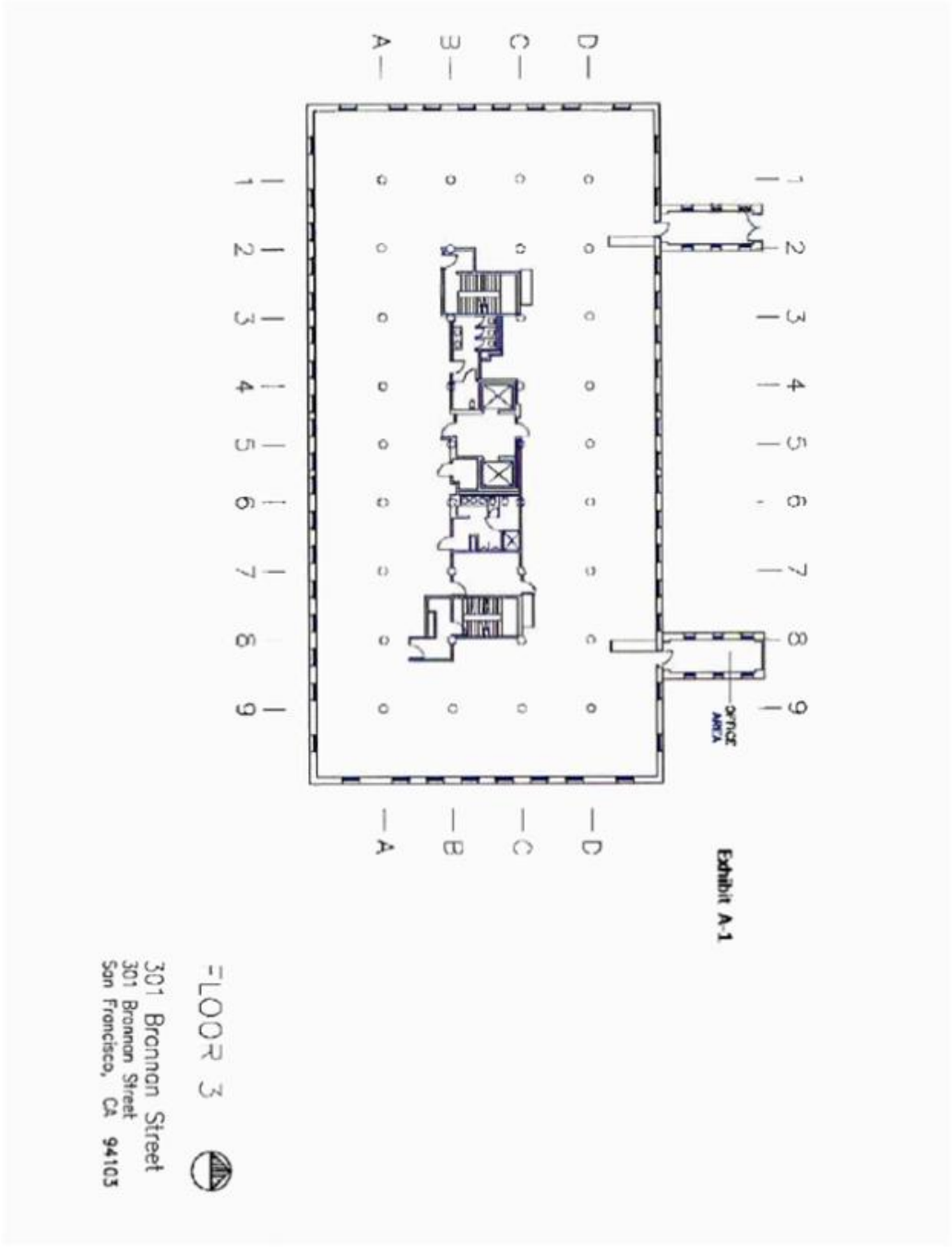
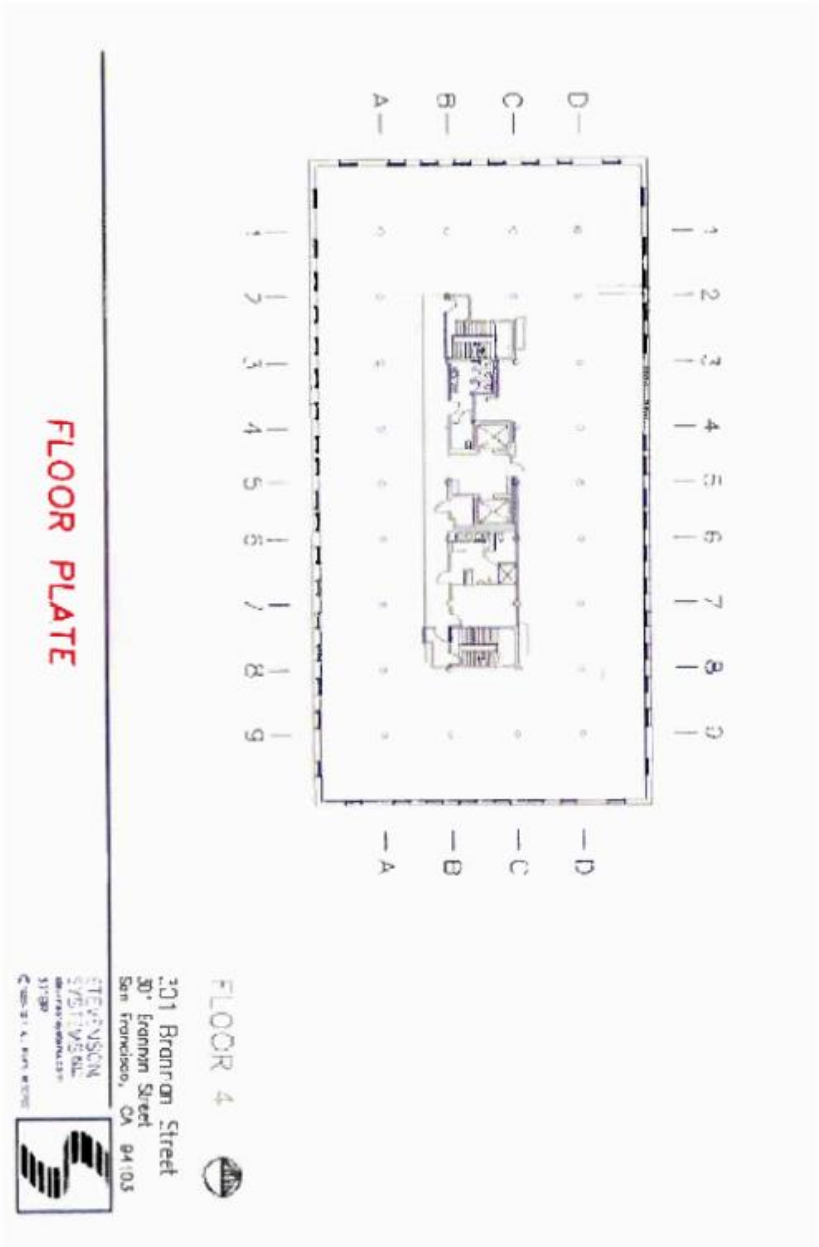

A
B
C
D
1
2
3
4
5
6
7
8
9
OFFICE AREA
Exhibit A-1
FLOOR 3
301 Brannan Street
301 Brannan Street
San Francisco, CA 94103

EXHIBIT A-2

301 BRANNAN STREET

OUTLINE OF MUST-TAKE SPACE



FLOOR PLATE
301 Brannan Street
301 Brannan Street
San Francisco, CA 94103
FLOOR 5

FLOOR PLATE
30' Brannan Street
301 Brannan Street
San Francisco, CA 94103
FLOOR 6
STEVENSON SYSTEMS

EXHIBIT B

301 BRANNAN STREET

WORK LETTER

This Work Letter shall set forth the terms and conditions relating to the construction of the Premises. This Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Articles or Sections of "this Lease" shall mean the relevant portions of Articles 1 through 29 of the Office Lease to which this Work Letter is attached as **Exhibit B** and of which this Work Letter forms a part, and all references in this Work Letter to Articles or Sections of "this Work Letter" shall mean the relevant portions of Articles 1 through 5 of this Work Letter. Landlord and Tenant acknowledge and agree that, at Tenant's election, the Initial Premises and the Must-Take Space may be constructed separately, in which case all of the provisions of this Work Letter shall apply separately to the construction of the Initial Premises and the Must-Take Space, as applicable. Without limiting the generality of the foregoing, all references in this Work Letter to the "Premises" shall mean the Initial Premises or the Must-Take Space, as applicable, if Tenant is constructing the Initial Premises and the Must-Take Space separately, or the entire Premises, if Tenant is constructing the entire Premises simultaneously.

ARTICLE 1

DELIVERY OF THE PREMISES

Tenant acknowledges that Tenant has thoroughly examined the Initial Premises. Upon the full execution and delivery of this Lease by Landlord and Tenant, Landlord shall deliver the Initial Premises and Tenant shall accept the Initial Premises from Landlord in its presently existing, "as-is" condition as of the date of this Lease. In addition, Tenant currently occupies and, as of the date of this Lease, is fully aware of the condition of, and shall continue to accept, the Must-Take Space in its presently existing, "as-is" condition, and hereby further acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Initial Premises, the Must-Take Space or the Building or with respect to the suitability of any of the foregoing for the conduct of Tenant's business. Landlord shall have no obligation to modify or improve any component in the Premises, the Base Building, or the Building systems or equipment in connection with the "Improvements" (as defined in Section 2.1 below). The "**Base Building**" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises is located. The "**Base Building Plans**" are the plans provided by Landlord to Tenant and its Architect and Engineers (as defined herein), covering the Base Building, which are delivered for the purposes of planning and design of the Improvements.

ARTICLE 2

IMPROVEMENTS

2.1 Improvement Allowance. Subject to the terms of this Work Letter, Tenant shall be entitled to two (2) improvement allowances in the total aggregate amount of One Million One Hundred Ninety-Six Thousand Eight Hundred Twenty-Seven and 00/100 Dollars ($1,196,827.00) (each an "**Improvement Allowance**" and, collectively, the "**Improvement Allowances**") for the costs relating to the initial design and construction of improvements that are permanently affixed to the Premises (the "**Improvements**"). The Improvement Allowances shall consist of (i) a one-time improvement allowance in the amount of Nine Hundred Seventy-One Thousand Forty-Seven and 00/100 Dollars ($971,047.00) (i.e., $38.50 per rentable square foot of the Initial Premises) (the "**Initial Premises Allowance**"), which may be applied toward the cost of Improvements in the Initial Premises only, and (ii) a one-time improvement allowance in the amount of Two Hundred Twenty-Five Thousand Seven Hundred Eighty and 00/100 Dollars ($225,780.00) (i.e., $6.00 per rentable square foot of the Must-Take Space) (the "**Must-Take Space Allowance**"), which may be applied toward the cost of Improvements in the Must-Take Space only. In no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in the event that Tenant fails to immediately pay any portion of the "Over Allowance Amount," as defined in Section 4.2.1, nor shall Landlord be obligated to pay a total amount which exceeds the Improvement Allowance. Landlord shall not be obligated to disburse any monies from the Initial Premises Allowance for which a request has not been made prior to December 31, 2012, and any unused portion of the Initial Premises Allowance remaining as of such date shall remain with Landlord and Tenant shall have no further right thereto. Landlord shall not be obligated to disburse any monies from the Must-Take Space Allowance for which a request has not been made prior to December 31, 2015, and any unused portion of the Must-Take Space Allowance remaining as of such date shall remain with Landlord and Tenant shall have no further right thereto. Further, to the extent there are any funds remaining in the Initial Premises Allowance, Landlord shall not be obligated to disburse such funds for application toward the cost of Improvements in the Must-Take Space; and, likewise, to the extent there are any funds remaining or the Must-Take Space Allowance, Landlord shall not be obligated to disburse such funds for application toward the cost of Improvements in the Initial Premises, as the case may be. Except as otherwise expressly provided hereinbelow, all references in this Work Letter to the "Improvement Allowance" shall mean either the Initial Improvement Allowance or the Must-Take Space Improvement Allowance, as applicable.

2.2 Disbursement of the Improvement Allowance.

2.2.1 Improvement Allowance Items. Except as otherwise set forth in this Work Letter, the Improvement Allowance shall be disbursed by Landlord (each of which disbursements shall be made pursuant to Landlord's disbursement process, including, without limitation, Landlord's receipt of invoices for all costs and fees described herein) only for the following items and costs (collectively the "**Improvement Allowance Items**"):

2.2.1.1 Payment of (i) the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Work Letter, and (ii) the costs of any cabling installed by Tenant in the Premises, which fees and costs, notwithstanding anything to the

contrary contained in this Work Letter, shall not exceed an aggregate amount equal to Zero and 60/100 Dollars ($0.60) per rentable square foot of the Must-Take Space with respect to the Improvements in the Must-Take Space, and Three and 85/100 Dollars ($3.85) per rentable square foot of the Initial Premises with respect to the Improvements in the Initial Premises (the amounts payable pursuant to this Section 2.2.1.1 are payable from the Improvement Allowances and are not in addition thereto);

2.2.1.2 Payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Work Letter;

2.2.1.3 The payment of plan check, permit and license fees relating to construction of the Improvements;

2.2.1.4 The cost of construction of the Improvements, including, without limitation, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;

2.2.1.5 The cost of any changes in the Base Building when such changes are required by the Construction Drawings, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.6 The cost of any changes to the Construction Drawings or Improvements required by all applicable building codes (the "**Code**");

2.2.1.7 The cost of the "Coordination Fee," as that term is defined in Section 4.2.2.1 of this Work Letter;

2.2.1.8 Sales and use taxes; and

2.2.1.9 All other costs to be expended by Landlord in connection with the construction of the Improvements, including, but not limited to, costs incurred by Landlord for overtime pay for Landlord's employees and agents to enable Tenant to perform work related to the Improvements in areas outside the Premises after such employee's or agent's regular working hours.

2.2.2 Disbursement of Improvement Allowance. During the construction of the Improvements, Landlord shall make monthly disbursements of the applicable Improvement Allowance for Improvement Allowance Items and shall authorize the release of monies as follows.

2.2.2.1 Monthly Disbursements. On or before the twentieth (20th) day of each calendar month, during the construction of the Improvements (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1.1 of this Work Letter, approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Improvements in the Premises, detailing the portion of the work completed and the portion

not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Work Letter, for labor rendered and materials delivered to the Premises; (iii) executed mechanic's lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 3262(d); and (iv) all other information reasonably requested by Landlord (including, but not limited to, evidence that Tenant has, with respect to all subsequent disbursements following Landlord's initial disbursement, previously disbursed the applicable pro-rata portion of the "Over-Allowance Amount" (defined in Section 4.2.1 below) in accordance with the terms and conditions of Section 4.2.1 of this Tenant Work Letter). Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Thereafter, Landlord shall deliver a check to Tenant made payable to Contractor, to Tenant, or to Contractor and Tenant jointly, as Tenant may request (provided that, if Tenant requests a check payable only to Tenant, then Landlord shall not be obligated to deliver such check unless and until Tenant has provided Landlord unconditional mechanic's lien releases from all of Tenant's Agents in compliance with California Civil Code Section 3262(d)(2) or Section 3262(d)(4), as applicable) in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "**Final Retention**"), and (B) the balance of any remaining available portion of the Improvement Allowance (not including the Final Retention) which shall be exclusive of the pro-rata portion of the Over-Allowance Amount to be paid by Tenant pursuant to the terms of Section 4.2.1 of this Tenant Work Letter, provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Working Drawings," as that term is defined in Section 3.4 below, or due to any substandard work, or for any other reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 Final Retention. Subject to the provisions of this Work Letter, and provided Tenant delivers sufficient evidence to Landlord showing that the full amount of the Over-Allowance Amount has then been paid by Tenant, a check for the Final Retention payable to Contractor or Tenant, as Tenant may request, shall be delivered by Landlord to Tenant within thirty (30) days following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord (a) paid invoices for all Improvements and related costs for which the Improvement Allowance is to be dispersed, (b) signed permits for all Improvements completed within the Premises, (c) properly executed unconditional mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from Tenant's contractor, subcontractors and material suppliers and any other party which has lien rights in connection with the construction of the Improvements (provided that, if Tenant requests a check payable only to Tenant, then Landlord shall not be obligated to deliver such check unless and until Tenant has provided Landlord all unconditional mechanic's lien releases in accordance with California Civil Code Section 3262(d)(4)), (ii) Landlord has determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building, (iii) Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Premises has been substantially completed, (iv) Tenant

delivers to Landlord a "close-out package" in both paper and electronic forms (including, as-built drawings, and CADD files for the associated plans, warranties and guarantees from all contractors, subcontractors and material suppliers, and an independent air balance report); and (v) a certificate of occupancy, a temporary certificate of occupancy or its equivalent is issued to Tenant for the Premises.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Improvement Allowance to the extent costs are incurred by Tenant for Improvement Allowance Items. All Improvement Allowance Items for which the Improvement Allowance has been made available shall be deemed Landlord's property under the terms of this Lease.

2.3 Building Standards. Landlord has established specifications for certain Building standard components to be used in the construction of the Improvements in the Premises and Tenant acknowledges it has received a copy of such specifications prior to execution of this Lease. The quality of Improvements shall be equal to or of greater quality than the quality of such Building standards, provided that Landlord may, at Landlord's option, require the Improvements to comply with certain Building standards. Landlord may make changes to said specifications for Building standards from time to time; provided, however, Tenant shall not be required to comply with any such changes with respect to Improvements which have already been completed or for which Construction Drawings have already been approved by Landlord at the time of such changes. Removal requirements regarding the Improvements are addressed in Article 8 of this Lease.

ARTICLE 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain the architect/space planner selected by Tenant and reasonably approved by Landlord (the "**Architect**") to prepare the "Construction Drawings," as that term is defined in this Section 3.1. Tenant shall retain the engineering consultants selected by Tenant and reasonably approved by Landlord (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises, which work is not part of the Base Building. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**." All Construction Drawings shall comply with the drawing format and specifications determined by Landlord, and shall be subject to Landlord's approval rights as set forth in Sections 3.2 through 3.4 of this Work Letter. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Construction Drawings as set forth in this Article 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect,

engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) hard copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced, and concurrently with Tenant's delivery of such hard copies, Tenant shall send to Landlord via electronic mail one (1) .pdf electronic copy of such final space plan. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. Notwithstanding anything set forth herein to the contrary, Landlord shall not unreasonably withhold its approval of the Final Space Plan; provided that Landlord and Tenant hereby agree that it shall be deemed reasonable for Landlord to withhold its approval of the Final Space Plan if a "Design Problem," exists. A "**Design Problem**" shall mean and refer to any design criteria which would (a) adversely affect the Building Structure or Building Systems; (b) be in non-compliance with Code or other Applicable Laws; (c) be seen from the exterior of the Premises; (d) cause material interference with Landlord or other tenants of the Building, (e) not comply with the Building standards referenced in Section 2.3, above; or (f) affect the certificate of occupancy or its legal equivalent for the Building or any portion thereof.

3.3 Final Working Drawings. After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Working Drawings" (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Working Drawings**") and shall submit the same to Landlord for Landlord's approval. Tenant shall supply Landlord with four (4) hard copies signed by Tenant of the Final Working Drawings, and concurrently with Tenant's delivery of such hard copies, Tenant shall send to Landlord via electronic mail one (1) .pdf electronic copy of such Final Working Drawings. Landlord shall advise Tenant within seven (7) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith. Notwithstanding anything set forth herein to the contrary, Landlord shall not unreasonably withhold its approval of the Final Working Drawings; provided that Landlord and Tenant hereby agree that it shall be deemed reasonable for Landlord to withhold its approval

of the Final Working Drawings if a Design Problem exists or the Final Working Drawings are inconsistent with the Final Space Plan. In addition, if the Final Working Drawings or any amendment thereof or supplement thereto shall require alterations in the Base Building (as contrasted with the Improvements), and if Landlord in its sole and exclusive discretion agrees to any such alterations, and notifies Tenant of the need and cost for such alterations, then Tenant shall pay the cost of such required changes in advance upon receipt of notice thereof. Tenant shall pay the sum of (i) all actual, out-of-pocket, third-party direct architectural and/or engineering fees in connection therewith, (ii) all actual out-of-pocket "hard" construction costs in connection therewith, and (iii) ten percent (10%) of such foregoing "hard" construction costs for Landlord's servicing and overhead relating to the actual construction of such required changes.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**") in accordance with Section 3.3 of this Work Letter prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Working Drawings, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

3.5 Electronic Approvals. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, Landlord may, in Landlord's sole and absolute discretion, transmit or otherwise deliver any of the approvals required under this Work Letter via electronic mail to Tenant's representative identified in Section 5.1 of this Work Letter, or by any of the other means identified in Section 29.16 of this Lease.

ARTICLE 4

CONSTRUCTION OF THE IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Improvements. Such general contractor ("**Contractor**") shall be selected by Tenant from a list of general contractors supplied by Landlord, and Tenant shall deliver to Landlord notice of its selection of the Contractor upon such selection.

4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. If Landlord does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for Landlord's written approval.

4.2 Construction of Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Tenant shall engage the Contractor under an AIA A101 Stipulated Sum Agreement (2007 Version) accompanied by Landlord's standard AIA A201 General Conditions (2007 Version) as modified by Landlord (collectively, the "**Contract**"). Prior to the commencement of the construction of the Improvements, and after Tenant has accepted all bids for the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.9, above, in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract (the "**Final Costs**"). As used herein, the "**Over-Allowance Amount**" shall be equal to the difference between the amount of the Final Costs and the amount of the Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Improvements). If an Over-Allowance Amount exists, then, Tenant shall pay Tenant's pro-rata share of each amount requested by the Contractor or otherwise to be disbursed under this Work Letter (which pro-rata share shall equal a fraction, the numerator of which shall equal the Over-Allowance Amount, and the denominator of which shall equal the Final Costs), and such payment by Tenant (the "**Over-Allowance Payments**") shall be a condition to Landlord's obligation to pay any additional/future portions of the Improvement Allowance pursuant to the terms and conditions of Section 2.2, above. In the event that, after the Final Costs have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Improvements shall change, any additional costs necessary to such design and construction in excess of the Final Costs, shall be added to the Over-Allowance Amount and to the Final Costs, and the Over-Allowance Payments shall be recalculated in accordance with the terms of the immediately preceding sentence. In connection with any payment of the Over-Allowance Amount made by Tenant pursuant to this Section 4.2.1, Tenant shall provide Landlord with the documents described in Sections 2.2.2.1(0, (ii), (iii) and (iv) of this Work Letter, above, for Landlord's approval, prior to Tenant paying such costs.

4.2.2 Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Improvement Work. Tenant's and Tenant's Agent's construction of the Improvements shall comply with the following: (i) the Improvements shall be constructed in strict accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all rules made by Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Work Letter, including, without limitation, the construction of the Improvements. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to the product of three percent (3%) and the sum of the Improvement Allowance, the Over-Allowance Amount, as such amount may be increased hereunder, and any other amounts expended by Tenant in connection with the design and construction of the Improvements, which Coordination Fee shall be for services relating to the coordination of the construction of the Improvements.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the completion of the work performed by such contractor or subcontractors. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.2.4.2 Special Coverages. Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Improvements shall be insured by Tenant pursuant to this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry insurance in accordance with the Contractor Insurance Requirements attached hereto as **Exhibit B-l**, and otherwise in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this Section 4.2.2.4 shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Work Letter.

4.2.3 Governmental Compliance. The Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Improvements at all times, provided however, that Landlord's failure to inspect the Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Improvements as a result of such Improvements not complying with the Approved Working Drawings or due to a defect in construction, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, the Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5 Meetings. Commencing upon the execution of this Lease, Tenant shall hold meetings not less often than once every two (2) weeks, at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Improvements (provided that Landlord shall have the right to call a meeting during any period between previously-scheduled meetings if Landlord reasonably determines such additional meeting is necessary), which meetings shall be held at the Premises or a location designated by Tenant and reasonably approved by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, Landlord may cause minutes to be taken at all such meetings. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of Record Set of Plans. Within ten (10) business days after completion of construction of the Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (C) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises.

ARTICLE 5

MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Bibbiana Lozano Bautista as its sole representative with respect to the matters set forth in this Work Letter (whose e-mail address for the purposes of this Work Letter is bibi@stumbleupon.com), who shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

5.2 Landlord's Representatives. Landlord has designated Mr. Rich Ambidge and Ms. Lauren Phillips as its sole representatives with respect to the matters set forth in this Work Letter (whose e-mail addresses for the purposes of this Work Letter are rambidge@kilroyrealty.com and lphillips@kilroyrealty.com, respectively), who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

5.3 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the

document and approval thereof shall be repeated until the document is approved by Landlord. If any period provided herein would fall on a weekend, legal holiday or other day that is not a business day, such period will be extended to the next business day following such weekend, legal holiday or non-business day.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, if any default by Tenant under the Lease or this Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs and is not cured within any applicable notice and cure periods provided under this Lease at any time on or before the substantial completion of the Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements and any costs occasioned thereby), and (ii) all other obligations of Landlord under the terms of the Lease and this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

EXHIBIT B-1

CONTRACTOR INSURANCE REQUIREMENTS

[see attached]

Exhibit B

List of Furniture

STUMBLEUPON
FIFTH FLOOR FURNITURE INVENTORY
AS OF 07/16/2013
UPDATED AND FINAL: 08/07/2013

TASK CHAIRS:
Aeron -100
Other Mesh -10

DESK LAMPS:
Silver – 90

PEDESTAL FILE CABINETS:
Silver -93

SENTRY FIREPROOF FILE CABINETS:
2 Drawer Black with locks – 4

ROLLING WHITEBOARDS – 6

WOOD TOP DESKS WITH POWER/DATA:
Movable – 8
Fixed – 82

NEWTON CONFERENCE ROOM:

1-18” Glass Top Side Table with black X-base
2 - 36” Glass Top Conference Table with White X-base
5 - Chairs - Beech wood with black leather seats
3 - Desk Lamps – Silver

COPERNICUS CONFERENCE ROOM:

1 - Tan Fabric Sofa with wood legs - 80” with four toss pillows
1 - Glass Top and wood coffee table with metal legs

GALLILEO CONFERENCE ROOM:

1 - 8’ IKEA Bjursta Dark Wood table
8 - Chairs chrome with black leather seats
1 - Ceiling mounted projection screen

BOHR CONFERENCE ROOM:

1 - Tall Narrow Table
1 - Small table lamp

PRIVATE OFFICE - H.R.

1 - Hanging Lotus Lamp
4 - Misc. chairs

EINSTEIN CONFERENCE ROOM:

1-10” Oak Boat Shaped Conference Table
10 - Mesh Style Conference Chairs on casters

PRIVATE OFFICE-CFO:

1 - 36” glass top conference table with white X-base
4 - Wood and black leather chairs
1 - Tan fabric with pillow occasional chair; wood legs

NEWTON CONFERENCE ROOM:

1-18” Glass Top Side table with black X-Base
1 - 36” Glass Top Conference table with white legs
5 - Birch Wood Chairs with black feather seats
3 - Small desk lamps

Open Area outside of Newton:

1 - Wood top printer stand with metal X-Base
1 - Torche Floor Lamp – Silver

STORAGE/BICYCLE ROOM:

1 - Folding Table
2 - Euromarket White Leather/Wood Side chairs
4 - Misc. File cabinets, various sizes, black metal

MISC. ITEMS:

2 - IKEA Meltrop Tables #1138 White metal with black/inserts/metal legs 29.5x49.5
1 - Wood top coffee table with metal legs; 47 x 28; and one glass top 47x28
2 - Black metal stools 30“h x 18” dia.
3 - 60 x 32 Wood top desks with grommets and four metal tube legs each
4 - Slide Guest chairs with gray upholstery/metal frames
2 - Aero chairs – black
1 - 80” sofa with light green fabric and two pillows (blue and brown); wood legs

Any sums paid directly by Sublessee to Landlord in accordance with this Subsection shall be credited toward the amounts payable by Sublessee to Sublessor under this Sublease. In the event Sublessee tenders payment directly to Landlord in accordance with this Subsection and Landlord refuses to accept such payment, Sublessee shall have the right to deposit such funds in an account with a national bank for the benefit of Landlord and Sublessor, and the deposit of said funds in such account shall discharge Sublessee's obligation under this Sublease to make the payment in question.

Wherefore, Sublessor and Sublessee enter into this Sublease as of the Effective Date.

Okta, Inc., a Delaware corporation	StumbleUpon. Inc. a Delaware corporation
By: /s/ William E. Losch	By: /s/ Mark Bartels
Name: William E. Losch	Name: Mark Bartels
Title: CFO	Title: CEO

Kilroy Realty Corporation (KRC)- Contractor Insurance Requirements

The following coverage is required for all contracts, but may be adjusted for size and complexity of project. Certificates of insurance and the applicable endorsements must be received by **KRC** prior to entering the project or commencement of work. Such policies shall not be cancelled or modified, nor shall any of the coverages required herein be reduced, except after 30 days prior written notice to **KRC**.

KRC requests that the Insurance Certificate and Endorsement documents be issued with blanket wording "ALL LOCATIONS" if permitted by the carriers. If not available, the project site/building address must be included on certificate and endorsements.

*** Can be combined with Umbrella/Excess Liability policy to meet required limits.**

I. Commercial General Liability*:

Combined limits shall not be less than the following:	
General Aggregate limit on a Per Project Basis *Endorsement*	**$2,000,000**
Products/Completed Operations	**$2,000,000**
Personal and Advertising Injury	**$1,000,000**
Each Occurrence	**$1,000,000**
Fire Damage (any one fire)	**$ 50,000**
Medical Payments (any one person)	**$ 5,000**

(a) Such insurance shall be on an *Occurrence Basis* (ISO form CG0001 or equivalent) with reasonably acceptable deductibles.

(b) The policy shall include severability of interest and cross-liability (separation of named insured)

(c) The policy shall include contractual liability equivalent to ISO form CG00010196.

(d) Policy must provide Broad Form Property Damage extended to apply to Products/Completed Operations.

(e) In the event Contractor subcontracts to others, Contractor must maintain Contractors Protective covering work performed by subcontractors.

(f) Policy must provide coverage for Explosion, Collapse or Underground (XCU) hazards (if applicable).

(g) Policy shall name *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired as an additional insured* using ISO form CG2010 11/85, or comparable form. Additional Insured forms limiting coverage to "ongoing operations" are unacceptable.

(h) Contractor's insurance shall be primary to any similar insurance maintained by *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired*, whose insurance shall be considered excess and non-contributing with insurance maintained by Contractor.

(i) Policy shall be endorsed to waive all rights of subrogation against *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired.*

(j) Contractor shall continuously maintain coverage through the Statute of Limitations.

II. Business Automobile Liability*:

Owned or Leased Automobiles	**$1,000,000**
Non-Owned Automobiles	**$1,000,000**
Hired Automobiles	**$1,000,000**

Policy shall name *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired* as an additional insured via an applicable endorsement.

If the Contractor does not own or lease vehicles, it is still imperative that the Contractor maintains Non-Owned and Hired Auto Liability. Alternatively, if the Contractor carries only a "Personal-Line" automobile liability policy for his/her vehicles, the minimum limit cannot be less than **$ 1,000,000** and it must be endorsed for Non-Owned and Hired autos.

III. Workers' Compensation and Employers Liability*:

Workers' Compensation and Employers Liability insurance shall fully comply with all state and federal statutory requirements. Employer's Liability coverage shall be carried at limits of not less than **$1,000,000**.

Policy shall be endorsed to waive all rights of subrogation against *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired.*

If Contractor does not have employees, contractor must sign an acknowledgement letter (to be provided by KRC upon request) stating that no other individual will be employed for work in connection with said contract.

IV. Umbrella/Excess Liability:

Occurrence Limit	**$5,000,000**

Class B licensed General Contractors performing as a General Contractor must obtain and maintain a $5,000,000 Umbrella/Excess Liability policy. Such policy must extend over the General Liability, Automobile Liability and Employers' Liability and coverage must be at least as broad as the coverage furnished by the underlying policies.

☒ For all others, if the box is "X" marked, Umbrella/Excess Liability is required to be ☒ provided.

V. Subcontractors:

General Contractor shall require all subcontractors and sub-subcontractors to maintain the same policies of insurance and provisions including additional insured and waiver of subrogation endorsements as required by *Kilroy Realty Corporation and/or any subsidiary, partnership, joint venture, corporation or affiliate now existing or hereinafter formed or acquired,* in items I- IV named above with limits of at least $1,000,000 per occurrence.

VI. Professional Liability/Errors and Omissions Insurance:

Minimum Limit per claim	**$1,000,000**
Minimum Aggregate Limit	**$2,000,000**

If contract includes design/build work, Contractor must obtain and continuously maintain Professional Liability through the statute of limitations.

EXHIBIT C

301 BRANNAN STREET

NOTICE OF LEASE TERM DATES

To: _____
_____
_____
_____

Re: Office Lease dated _____, 20__ between _____, a _____ ("Landlord"), and _____, a _____ ("Tenant") concerning Suite _____ on floor(s) _____ of the office building located at _____, _____, California.

Gentlemen:

In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on _____ for a term of _____ ending on _____.

2. Rent commenced to accrue on _____, in the amount of _____

3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.

4. Your rent checks should be made payable to _____ at _____

5. The exact number of rentable/usable square feet within the Premises is _____ square feet.

6. Tenant's Share as adjusted based upon the exact number of usable square feet within the Premises is __%.

"Landlord":

_____
a

By: _____
Its: _____

Agreed to and Accepted
as of _____, 20__.

"Tenant":

_____
a _____

By: _____
Its: _____

EXHIBIT D

301 BRANNAN STREET

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the San Francisco, California area. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in

and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid chemical, substitute or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of

noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any firearms, animals, birds, aquariums, or, except in areas designated by Landlord, vehicles other than bicycles.

15. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises. Furthermore, in no event shall Tenant, its employees or agents smoke tobacco products within the Building or within seventy-five feet (75') of any entrance into the Building or into any other Project building.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in San Francisco, California without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and

elevators provided for such purposes at such times as Landlord shall designate. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord, and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Building Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with any City of San Francisco **"NO-SMOKING"** ordinances. If Tenant is required under the ordinance to adopt a written smoking policy, a copy of said policy shall be on file in the office of the Building. In addition, no smoking of any substance shall be permitted within the Project except in specifically designated outdoor areas. Within such designated outdoor areas, all remnants of consumed cigarettes and related paraphernalia shall be deposited in ash trays and/or waste receptacles. No cigarettes shall be extinguished and/or left on the ground or any other surface of the Project. Cigarettes shall be extinguished only in ashtrays. Furthermore, in no event shall Tenant, its employees or agents smoke tobacco products or other substances (y) within any interior areas of the Project, or (z) within fifty feet (50') of the main entrance of, or any other entryways into, the Building.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

32. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with the security and proper operation of the Building.

33. Tenant shall install and maintain, at Tenant’s sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord’s judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter

enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT E

301 BRANNAN STREET

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 20__ by and between _____ as Landlord, and the undersigned as Tenant, for Premises on the _____ floor(s) of the office building located at _____, _____, California _____, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Tenant shall not modify the documents contained in Exhibit A without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $____.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. No default or event that with the passing of time or the giving of notice, or both, would constitute a default (referred to herein collectively as a "default") on the part of the undersigned exists under the Lease in the performance of the terms, covenants, and conditions of the Lease required to be performed on the part of the undersigned.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.

10. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. To the undersigned's knowledge, all improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the __ day of _____, 20__.

"Tenant":

_____,
a _____

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT F

REQUIRED REMOVABLES

As used in this Lease, **"Required Removables"**shall mean and refer to the following improvements existing in the Premises as of the Date of this Lease, all of which are located in the server room on the fourth (4th) floor of the Building:

- Three (3) Liebert CRAC Units
- Three (3) Liebert Condenser Units
- Three (3) APC UPS Power Distribution Racks
- All Network Patch Panels
- Three (3) Cisco Network Switches
- Twelve (12) Server Racks

EXHIBIT G

301 BRANNAN STREET

FORM OF LETTER OF CREDIT

(Letterhead of a money center bank acceptable to the Landlord)

FAX NO.[(____) ____-____]
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

DATE OF ISSUE: _____

BENEFICIARY:
[Insert Beneficiary Name And Address]

APPLICANT:
[Insert Applicant Name And Address]

LETTER OF CREDIT NO. _____

EXPIRATION DATE:
_____ AT OUR COUNTERS

AMOUNT AVAILABLE:
USD [Insert Dollar Amount]
(U.S. DOLLARS [Insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD [Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR **(B)AS** A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD _____ IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT UNDER SUCH LEASE TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO._____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO._____ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO._____ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO._____ AS THE RESULT OF A REJECTION OR A DEEMED REJECTION OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE") UNDER SECTION 365 OF THE UNITED STATES BANKRUPTCY CODE."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF_____ (120 days from the Lease Expiration Date).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE OR IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES BY APPLICANT. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO._____."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time - *(e.g.*, 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time - *(e.g.*, 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number - (____)____-____], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number - (____)____-____] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name] AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH PRECEDING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date).

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A DUPLICATE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE “INTERNATIONAL STANDBY PRACTICES” (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

EXHIBIT H

301 BRANNAN STREET

MARKET RENT DETERMINATION FACTORS

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS**. The "**Comparable Transactions**" shall be the "Net Equivalent Lease Rates" per rentable square foot, at which tenants, are, pursuant to transactions consummated within eighteen (18) months prior to the commencement of the Option Term, leasing non-sublease, non-encumbered space comparable in location and quality to the Premises containing a square footage comparable to that of the Premises for a term of five (5) years, in an arm's-length transaction, which comparable space is located in "Comparable Buildings." The terms of the Comparable Transactions shall be calculated as a "Net Equivalent Lease Rate" pursuant to the terms of this **Exhibit H**, and shall take into consideration only the following terms and concessions: (i) the rental rate and escalations for the Comparable Transactions, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, if any, (iii) operating expense and tax protection granted in such Comparable Transactions such as a base year or expense stop (although for each such Comparable Transaction the base rent shall be adjusted to a triple net base rent using reasonable estimates of operating expenses and taxes as determined by Landlord for each such Comparable Transaction); (iv) rental abatement concessions, if any, being granted such tenants in connection with such comparable space, (v) any "Renewal Allowance," as defined herein below, to be provided by Tenant in connection with the Option Term as compared to the improvements or allowances provided or to be provided in the Comparable Transactions, taking into account the contributory value of the existing improvements in the Premises, such value to be based upon the age, design, quality of finishes, and layout of the existing improvements, and (vi) all other monetary concessions (including the value of any signage), if any, being granted such tenants in connection with such Comparable Transactions. Notwithstanding any contrary provision hereof, in determining the Market Rent, no consideration shall be given to any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of improvements, or any commission paid or not paid in connection with such Comparable Transaction. The Market Rent shall include adjustment of the stated size of the Premises based upon the standards of measurement utilized in the Comparable Transactions; provided, however, the size of the Premises shall, notwithstanding the foregoing, be at least equal to the greater of: (i) the square footages set forth in this Lease, and (ii) the square footage of the Premises determined pursuant to the standards of space measurement used in the Comparable Transactions.

2. **TENANT SECURITY**. The terms of article 21 of the lease shall remain applicable during the Option Terms.

3. **RENEWAL IMPROVEMENT ALLOWANCE**. Notwithstanding anything to the contrary set forth in this **Exhibit H**, once the Market Rent for the Option Term is determined as a Net Equivalent Lease Rate, if, in connection with such determination, it is deemed that Tenant is entitled to an improvement or comparable allowance for the improvement of the

Premises, (the total dollar value of such allowance shall be referred to herein as the "**Renewal Allowance**"), Landlord shall pay the Renewal Allowance to Tenant pursuant to a commercially reasonable disbursement procedure determined by Landlord and the terms of Article 8 of this Lease, and, as set forth in Section 5, below, of this **Exhibit H**, the rental rate component of the Market Rent shall be increased to be a rental rate which takes into consideration that Tenant will receive payment of such Renewal Allowance and, accordingly, such payment with interest shall be factored into the base rent component of the Market Rent.

4. **COMPARABLE BUILDINGS**. For purposes of this Lease, the term "**Comparable Buildings**" shall mean (i) the Building and other first-class institutionally-owned office buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation as to the building containing the portion of the Premises in question), quality of construction, level of services and amenities (including, but not limited to, the type (e.g., surface, covered, subterranean) and amount of parking), size and appearance, and are located in the "**Comparable Area**," which is the "South of Market District" submarket in San Francisco.

5. **METHODOLOGY FOR REVIEWING AND COMPARING THE COMPARABLE TRANSACTIONS**. In order to analyze the Comparable Transactions based on the factors to be considered in calculating Market Rent, and given that the Comparable Transactions may vary in terms of length of term, rental rate, concessions, etc., the following steps shall be taken into consideration to "adjust" the objective data from each of the Comparable Transactions. By taking this approach, a "Net Equivalent Lease Rate" for each of the Comparable Transactions shall be determined using the following steps to adjust the Comparable Transactions, which will allow for an "apples to apples" comparison of the Comparable Transactions.

5.1. The contractual rent payments for each of the Comparable Transactions should be arrayed monthly or annually over the lease term. All Comparable Transactions should be adjusted to simulate a net rent structure, wherein the tenant is responsible for the payment of all property operating expenses in a manner consistent with this Lease. This results in the estimate of Net Equivalent Rent received by each landlord for each Comparable Transaction being expressed as a periodic net rent payment.

5.2 Any free rent or similar inducements received over time should be deducted in the time period in which they occur, resulting in the net cash flow arrayed over the lease term.

5.3 The resultant net cash flow from the lease should be then discounted (using an 8% annual discount rate) to the lease commencement date, resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) and leasing commissions should be deducted. These items should be deducted directly, on a "dollar for dollar" basis, without discounting since they are typically incurred at lease commencement, while rent (which is discounted) is a future receipt.

5.5 The net present value should then amortized back over the lease term as a level monthly or annual net rent payment using the same annual discount rate of 8.0% used in the present value analysis. This calculation will result in a hypothetical level or even payment over the option period, termed the "Net Equivalent Lease Rate" (or constant equivalent in general financial terms).

6. **USE OF NET EQUIVALENT LEASE RATES FOR COMPARABLE TRANSACTIONS**. The Net Equivalent Lease Rates for the Comparable Transactions shall then be used to reconcile, in a manner usual and customary for a real estate appraisal process, to a conclusion of Market Rent which shall be stated as a "NNN" lease rate applicable to each year of the Option Term.

FIRST AMENDMENT TO OFFICE LEASE

This FIRST AMENDMENT TO OFFICE LEASE ("**First Amendment**") is made and entered into as of the 31st day of August, 2015, by and between KILROY REALTY, L.P., a Delaware limited partnership ("**Landlord**"), and STUMBLEUPON, INC., a Delaware corporation ("**Tenant**").

R E C I T A L S :

A. Landlord and Tenant entered into that certain Office Lease dated December 15, 2011 (the "**Lease**"), whereby Landlord leased to Tenant and Tenant leased from Landlord 62,852 rentable square feet of space (the "**Premises**"), located on the entirety of the second (2nd), third (3rd), fourth (4th), fifth (5th) and sixth (6th) floors of that certain building (the "**Building**") located at 301 Brannan Street, San Francisco, California.

B. On August 25, 2015, Landlord filed a complaint against Tenant for unlawful detainer on account of Tenant's failure to pay rent, which complaint was filed in the Superior Court of California, County of San Francisco (the "**UD Litigation**"). Tenant denies that Landlord is or was entitled to any relief pursuant to the UD Litigation.

C. By this First Amendment, Landlord and Tenant desire to settle the UD Litigation without admission of liability, dismiss the UD Litigation with prejudice, and modify the Lease as provided herein.

D. Pursuant to the terms of that certain Sublease Agreement dated as of February, 2014 (the "**Sublease**"), by and between Tenant, as sublessor, and Okta, Inc., a Delaware corporation ("**Subtenant**"), as sublessee, Tenant agreed to sublease to Subtenant the portion of the Premises located on the third (3rd), fourth (4th), and fifth (5th) floors of the Building, containing a total of 37,815 rentable square feet (the "**Sublet Premises**"). Landlord consented to the terms of the Sublease pursuant to that certain Consent to Sublease Agreement dated as of March 31, 2014 (the "**Consent to Sublease**"), by and among Landlord, Tenant, and Subtenant. The portion of the Premises located on the second (2nd) and sixth (6th) floors of the Building, containing a total of 25,037 rentable square feet, is referred to herein as the "**Retained Premises**". Concurrently herewith, Landlord, Tenant, and Subtenant are entering into that certain First Amendment to the Consent to Sublease Agreement, dated as of an even date herewith (the "**Consent to Sublease Amendment**"), which includes additional provisions relating to Tenant's rent obligations and Landlord's rights and remedies under the Lease (as hereby amended). The terms of the Consent to Sublease Amendment are hereby incorporated by reference into the Lease, and the Lease is amended thereby.

E. The parties desire to amend the Lease on the terms and conditions set forth in this First Amendment.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Terms. All capitalized terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this First Amendment.

2. Effectiveness of Lease. In consideration of the covenants set forth herein to be performed by Tenant, subject to satisfaction of the Conditions Precedent (as that term is defined hereinbelow), the Lease shall be amended as set forth herein, and, as amended, shall continue in full force and effect. Within one (1) business day following the full execution and delivery of this First Amendment, and provided that (i) Landlord has timely received the Outstanding Rent Amount (as that term is defined in Section 3 below), (ii) Landlord has timely received the Prepaid Rent Amount (as that term is defined in Section 4 below), (iii) the Consent to Sublease Amendment has been fully executed and delivered, and (iv) all of the Consent Specific Conditions Precedent (as that term is defined in the Consent to Sublease Amendment) have been timely satisfied (collectively, the "**Conditions Precedent**", and with items (i) through (iii) being referred to as the "**Lease Specific Conditions Precedent**")), then Landlord shall file a request for dismissal of the UD Litigation with prejudice. Notwithstanding any contrary provision of this First Amendment, the effectiveness of this First Amendment, and Landlord's agreement to file a request for the dismissal of the UD Litigation pursuant to the foregoing sentence, is conditioned upon the timely satisfaction of all of the Conditions Precedent. Landlord shall have no liability whatsoever to Tenant relating to or arising from the failure of any of the Conditions Precedent to be satisfied. The Lease shall remain unmodified unless and until such time as all of the Conditions Precedent are timely satisfied.

3. Outstanding Rent. Landlord and Tenant acknowledge and agree that as of the date of this First Amendment, Tenant owes Landlord, as past-due Rent under the Lease, the amount of Two Hundred Eighty-Six Thousand Eight Hundred Seventy-Nine and 77/100 Dollars ($286,879.77) (the "**Outstanding Rent Amount**") for the month of August 2015. Concurrently with Tenant's execution of this First Amendment, Tenant shall pay the Outstanding Rent Amount to Landlord.

4. Prepaid Rent. Landlord and Tenant acknowledge and agree that the Base Rent and the estimate of Tenant's Share of Direct Expenses due and owing with respect to the Retained Premises for the months of September and October 2015 is equal to $207,332.46 in the aggregate (the "**Prepaid Rent Amount**"), which consists of $200,296.00 in Base Rent obligations and $7,036.46 per month as the estimate of Tenant's Share of Direct Expenses. Concurrently with Tenant's execution of this First Amendment, Tenant shall pay the Prepaid Rent Amount to Landlord, and Landlord shall credit the amount of the Prepaid Rent against Tenant's Base Rent and Tenant's Share of Direct Expenses obligations applicable to the Retained Premises for such period.

5. Landlord Contraction Right. At any time, Landlord shall have the right to terminate Tenant's lease of the portion of the Retained Premises, consisting of a total of 12,548 rentable square feet located on the sixth (6th) floor of the Building (the "**Contraction Space**"),

effective as of the date (the "**Contraction Date**") set forth in the Contraction Notice (as that term is defined hereinbelow), which Contraction Date shall be no earlier than October 31, 2015 and shall be at least thirty (30) days following the date that Landlord provides Tenant written notice (the "**Contraction Notice**") stating Landlord's election to terminate Tenant's lease of the Contraction Space, pursuant to the terms of this Section 5 (and such Contraction Notice may be delivered to Tenant prior to October 31, 2015). Landlord shall not have the right to exercise the contraction right set forth in this Section 5, if Landlord has previously granted its consent to a sublease of all or any portion of the Contraction Space; provided, however, upon request by Tenant for Landlord's consent to a sublease, Landlord may, instead, deliver the Contraction Notice. Upon the Contraction Date, (i) Tenant's lease of the Contraction Space shall automatically terminate and be of no further force or effect, (ii) Landlord and Tenant shall be relieved of their respective obligations with respect to the Contraction Space as of the Contraction Date, except those obligations which relate to the period up to and including the Contraction Date, including, without limitation, the payment by Tenant or Landlord of all amounts owed to the other party with respect to the Contraction Space up to and including the Contraction Date, and (iii) Tenant's Share shall be reduced by 16.8588% based on the rentable square footage of the Contraction Space. Tenant shall return the Contraction Space to Landlord upon a termination thereof in accordance with the terms of the Lease (as amended) as if the Lease Term had expired with respect to the Contraction Space; provided, however, in no event shall Landlord be obligated to reduce the L-C Amount (as that term is defined in Section 21.1 of the Lease, and amended by Section 9 below).

6. Consent to Sublease Amendment; Transfer Premium. The Consent to Sublease Amendment, provides among other items, for the direct payment to Landlord by Subtenant of all rent due under the Sublease. The Consent to Sublease Amendment also includes additional provisions relating to Tenant's rent obligations and Landlord's rights and remedies under the Lease (as hereby amended). In connection with the foregoing, notwithstanding any provision to the contrary set forth in the Lease, effective as of the date of this First Amendment, (i) Landlord shall be entitled to receive one hundred percent (100%) of any Transfer Premium (as that term is defined in Section 14.3 of the Lease) payable in connection with the Sublease and any subsequent Transfers to which Landlord has consented pursuant to the terms of Article 14 of the Lease, (ii) Tenant shall have no right or claim to any Transfer Premium amounts previously received by Landlord, (iii) Landlord shall have no right or claim to any Transfer Premium amounts previously received and retained by Tenant, and (iv) Landlord may exercise its rights set forth in Section 14.4 of the Lease in connection with any Transfer or Contemplated Transfer (as those terms are defined in Article 14 of the Lease).

7. No Further Option to Extend. Notwithstanding any provision to the contrary set forth in the Lease, effective as of the date of this First Amendment, Tenant's option to extend the Lease Term set forth in Section 3.2 of the Lease Summary and Section 2.2 of the Lease is hereby deleted and of no further force or effect, and Tenant shall have no further options to extend the term of the Lease.

8. No Exterior Signage Rights. Notwithstanding any provision to the contrary set forth in the Lease, effective as of the date of this First Amendment, Tenant's right to Exterior Signage (as that term is defined in Section 23.5 of the Lease) is hereby deleted and of no further force or effect, and Tenant shall have no right to place any signage on the exterior of the Building.

9. Letter of Credit. Landlord and Tenant acknowledge that, in accordance with the terms of the Lease, Tenant has previously delivered to Landlord an L-C (as that term is defined in Section 21.1 of the Lease) in the amount of Six Hundred Thousand and 00/100 Dollars ($600,000.00). Notwithstanding any provision to the contrary set forth in the Lease, effective as of the date of this First Amendment, (i) the L-C Amount (as that term is defined in Section 21.1 of the Lease) shall be an amount equal to "Six Hundred Thousand and 00/100 Dollars ($600,000.00)", (ii) Section 21.3.2 of the Lease is hereby deleted and of no further force and effect, and (iii) the L-C Amount shall not be subject to reduction at any time.

10. Broker. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this First Amendment, and that they know of no real estate broker or agent who is entitled to a commission in connection with this First Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, occurring by, through, or under the indemnifying party. The terms of this Section 10 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

11. California Accessibility Disclosure. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges that the Common Areas and the Premises have not undergone inspection by a Certified Access Specialist (CASp).

12. Tenant's Payment of Attorney Fees and Costs. Concurrently with Tenant's execution and delivery of this First Amendment to Landlord, Tenant shall pay to Landlord all attorneys' fees and costs incurred by Landlord in connection with the UD Litigation (including the costs, expenses and attorneys' fees incurred by Landlord for all negotiations, filings and proceedings in connection therewith) shall not exceed Ten Thousand and 00/100 Dollars ($10,000.00).

13. Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering. Neither Tenant nor any of its affiliates, nor any of their respective members, partners or other equity holders, and none of their respective officers, directors or managers is, nor prior to or during the Lease Term, will they become a person or entity with whom U.S. persons or entities are restricted from doing business under (a) the Patriot Act (as defined below), (b) any other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") (including any "blocked" person or entity listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and any modifications thereto or thereof or any other person or entity named on OFAC's Specially Designated Blocked Persons List) or (c) any other U.S. statute, Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action (collectively, "**Prohibited**

Persons"). Prior to and during the Lease Term, Tenant, and to Tenant's knowledge, its employees and any person acting on its behalf have at all times fully complied with, and are currently in full compliance with, the Foreign Corrupt Practices Act of 1977 and any other applicable anti-bribery or anti-corruption laws. Tenant is not entering into this First Amendment, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. As used herein, "**Patriot Act**" shall mean the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and all other statutes, orders, rules and regulations of the U.S. government and its various executive departments, agencies and offices interpreting and implementing the Patriot Act.

14. Release. In consideration for entering into this First Amendment and for the promises and covenants contained herein, Landlord and Tenant release and forever discharge each other and any present or former officers, directors, shareholders, agents, employees, partners, attorneys, insurers or underwriters, subsidiaries, affiliated entities and companies, parent companies, predecessor companies, successors and assigns, and each of them, from any and all claims, rights, demands, liabilities, damages, costs, expenses, and losses, of any and every kind, nature, and character, known and unknown, which such party may now have or has ever had against the other party and any present or former officers, directors, shareholders, agents, employees, partners, attorneys, insurers or underwriters, subsidiaries, affiliated entities and companies, parent companies, predecessor companies, successors and assigns, and each of them, arising from or related to the UD Litigation, including but not limited to all claims, rights, demands, losses, liabilities, damages, costs, expenses, and causes of action arising in contract, whether written or oral, express or implied, or in tort, or under any common law theories, or under any covenants of good faith and fair dealing, or for any common counts, or under any federal, state, or municipal statute, executive order, regulation, or ordinance.

15. Costs and Attorneys' Fees. Except as set forth in Section 12 above, each party shall bear its own costs and attorneys' fees incurred in connection with this First Amendment and the UD Litigation.

16. Miscellaneous. This First Amendment, together with the Consent to Sublease Amendment, constitutes the full and complete agreement between the parties hereto, and, other than the Lease provisions unaffected by this First Amendment and the Consent to Sublease Amendment, supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter contained in this First Amendment and the Consent to Sublease Amendment. No other promises or agreements between the parties pertaining to the subject matter contained in this First Amendment shall be binding unless signed by both of the parties hereto.

17. No Further Modification. Except as specifically set forth in this First Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

[signatures follow on next page]

IN WITNESS WHEREOF, this First Amendment has been executed as of the day and year first above written.

LANDLORD:

KILROY REALTY, L.P.,
a Delaware limited partnership

By: Kilroy Realty Corporation,
a Maryland corporation

Its: General Partner

By: /s/ Jeffrey C. Hawken
Name: Jeffery C. Hawken
Title: Executive Vice President, Chief Operating Officer

By: /s/ Robert E. Palmer
Name: Robert E. Palmer
Title: Senior Vice President, Operations

TENANT:

STUMBLEUPON, INC.,
a Delaware corporation

By: /s/ Mark Bartels
Name: Mark Bartels
Title: CEO

By: /s/ Mark Bartels
Name: Mark Bartels
Title: Secretary

Exhibit 10.6

AGREEMENT OF LEASE

By and Between

Six Thirty-Four Second Street, LLC
a Delaware limited liability company

("**Landlord**")

and

OKTA, Inc.,
a Delaware corporation

("**Tenant**")

SUMMARY OF BASIC LEASE INFORMATION

The undersigned hereby agree to the following terms of this Summary of Basic Lease Information (the "**Summary**"). This Summary is hereby incorporated into and made a part of the attached Office Lease (this Summary and the Office Lease to be known collectively as the "**Lease**") which pertains to the office building (the "**Building**") which is located at 634 Second Street, San Francisco, California. Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as "set forth in the Office Lease.

TERMS OF LEASE		**DESCRIPTION**
a)	Effective Date:	December 11, 2014
b)	Landlord:	Six Thirty-Four Second Street, LLC, a Delaware limited liability company
c)	Address of Landlord:	c/o Manchester Capital Management 3657 Main Street Manchester Village, Vermont 05254
d)	Tenant:	OKTA, Inc., a Delaware corporation
e)	Address of Tenant (Paragraph 9):	
Subsequent to occupancy		634 Second Street, San Francisco, California 94107 Attn: Bill Losch
Prior to occupancy		301 Brannan Street, Third Floor San Francisco, CA 94107 Attn: Bill Losch with, at all times, a copy to: Shartsis Friese LLP One Maritime Plaza, 18th Floor San Francisco, CA94111 Attn: Jonathan Kennedy/Kathleen Bryski
f)	Premises (Paragraph 1):	45,032 rentable square feet of space comprising all rentable space on all of the floors (ground, mezzanine, second and third floors) of the Building, excepting only 1,720 rentable square feet of retail space located on the ground and mezzanine floors ("**Retail Space**"), all as more particulary set forth in the attached Exhibit A.

TERMS OF LEASE		DESCRIPTION
g)	Building (Paragraph 1):	634 Second Street, San Francisco, California. Total square footage of rentable space of the Building: approximately 46,752 rentable square feet.
h)	Term (Paragraph 2):	
	(i) Early Access Date:	Prior to the Lease Commencement Date Landlord shall make the Premises available to Tenant so as to allow Tenant to commence construction of the Tenant Improvements pursuant to the Work Letter. The date upon which Landlord provide such access is referred to herein as the "**Early Access Date**". It is anticipated that the Early Access Date shall occur on or about June 1, 2015.
	(ii) Lease Commencement Date:	The date ninety (90) days following the Early Access Date.
	(iii) Lease Expiration Date:	The day immediately preceding the ninth (9th) anniversary of the Lease Commencement Date.
i)	Extension Option (Paragraph 2.2):	One additional five (5) year term.
j)	Monthly Basic Rent (NNN; Paragraph 4):	

Period	Monthly Basic Rent	Annual Rate Per RSF
Months 1 through 12	$ 210,149.33*	$ 56.00
Months 13 through 24	$ 216,453.81	$ 57.68
Months 25 through 36	$ 222,947.43	$ 59.41
Months 37 through 48	$ 229,635.85	$ 61.93
Months 49 through 60	$ 236,524.93	$ 63.03
Months 61 through 72	$ 243,620.67	$ 64.92
Months 73 through 84	$ 250,929.29	$ 66.87
Months 85 through 96	$ 258,457.17	$ 68.87
Months 96 through 108	$ 266,210.89	$ 70.94

Subject to adjustment to Fair Market Rental Value at the commencement of the Extended Term.

* Subject to abatement of Monthly Basic Rent in months 1-4.

TERMS OF LEASE		DESCRIPTION
k)	Security Deposit (Paragraph 7):	$2,773,287
1)	Direct Operating Expenses (Paragraph 5):	All Direct Operating Expenses of the Premises consisting in part of utility charges and certain maintenance repair costs shall be Tenant's responsibility.
m)	Common Operating Expenses (Paragraph 6.2):	Tenant's Share of all Common Operating Expenses of the Building, consisting in part of property taxes, insurance premiums and deductibles, and maintenance and repair costs, shall be Tenant's responsibility
n)	Tenant's Share:	96.32% (i.e., 45,032/46,752)
o)	Brokers/Paragraph 10):	Tenant's Broker: CBRE, Inc. Landlord's Broker: Cornish & Carey Newmark Knight Frank
p)	Work Letter:	Attached as Exhibit B.

The foregoing terms of this Summary are agreed to by Landlord and Tenant.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

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OFFICE LEASE

THIS LEASE, dated December 11, 2014 for purposes of reference only (the "**Effective Date**"), is made and entered into by and between SIX THIRTY-FOUR SECOND STREET, LLC, a Delaware limited liability company ("**Landlord**") and OKTA INC., a Delaware corporation ("**Tenant**").

1. The Premises.

1.1 Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Premises designated in the Summary of Basic Lease Information ("**Summary**") attached hereto, and which is more particularly described and outlined on the floor plan attached hereto and marked Exhibit A, all of which is incorporated herein by this reference. The Premises is located in the building at the address designated in the Summary (the "**Building**"), and located on the parcel of real property (the "**Site**") under the Building. Tenant acknowledges that Landlord has made no representation or warranty regarding the condition of the Premises, Building, or Site except as specifically stated in this Lease. The parties hereto agree that said letting and hiring is upon and subject to the terms, covenants and conditions herein set forth and Tenant and Landlord covenant as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed, and this Lease is made upon the condition of such performance.

1.2 Tenant shall have the nonexclusive right to use in common with other tenants in the Building, subject to the reasonable discretion of Landlord to determine the manner in which the public and common areas are maintained and operated, the loading and unloading areas, roadways, sidewalks, walkways, parkways, and driveways appurtenant to the Building Premises ("**Common Areas**")**.**

1.3 Landlord reserves the rights from time to time as set forth below provided that Landlord shall use commercially reasonable efforts with respect to the exercise of any and all such rights so as not to interfere with Tenant's use of or access to the Premises:

(a) To remove, install, reinstall, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Premises which 'are located in the Premises or located elsewhere outside the Premises, and to expand the Building;

(b) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, loading and unloading areas, ingress, egress, direction of traffic and walkways;

(c) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(d) To use the Common Areas at any time, including, but not limited to, while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof; and/or

(e) To do and perform such other acts and make such other changes in, to or with respect to the Site, Common Areas and Building including, without limitation, the roof and windows of the Building as Landlord may, in the exercise of Landlord's reasonable business judgment, deem to be appropriate.

Except in the case of emergency, Landlord will use reasonable efforts to perform any work described in this Paragraph 1.3 which might be disruptive only on weekends or during periods after business hours to the extent reasonably practicable (the cost of any and all such work including, without limitation, overtime costs incurred by Landlord in connection therewith may be included in Common Operating Expenses, subject to the limitations set forth in Article 6 below). To the extent that Landlord installs, maintains, uses, repairs or replaces pipes, cables, ductwork, conduits, utility lines, and/or wires through hung ceiling space, exterior perimeter walls and column space, adjacent to and in demising partitions and columns, in or beneath the floor slab or above, below, or through the Premises, then in the course of making any such installation or repair: (x) Landlord will not reduce Tenant's usable space, except to a de minimus extent, if the same are not installed behind existing walls or ceilings; and (y) Landlord shall box in any of the same installed adjacent to existing walls with construction materials substantially similar to those existing in the affected area(s) of the Premises.

1.4 Tenant acknowledges that certain furniture, fixtures and equipment owned by Landlord may be located within the Premises, and that the Premises currently contains certain data communication cabling within the wall and ceiling. All of such personal property and cabling owned by Landlord shall remain at the Premises and Tenant shall have the right to use all of the same during the, Term. Tenant shall have access to available space in the riser closet and shall be responsible for taking service to the floors occupied by Tenant. Tenant may install additional cabling and conduits at its sole cost and expense subject to Landlord's reasonable prior approval as provided herein. Upon expiration or earlier termination of the Term, Tenant shall return all of the original personal property to Landlord in good condition and repair, subject to normal wear and tear and casualty. On or about the Early Access Date, Landlord and Tenant shall jointly conduct an inspection of the existing personal property located within the Premises, so as to create an inventory of such personal property and the condition of such personal property, in order to establish "baseline" for determining the appropriate condition of such property upon return to Landlord.

1.5 The rights and obligations of the parties regarding the tenant improvements, alterations or construction of the Premises to be performed at the commencement of the Term are described in the Tenant Work Letter ("**Work Letter**") attached to this Lease as Exhibit B. Any inconsistency between the provisions of the Work Letter and the provisions of the balance of this Lease shall be governed by the provisions of the Work Letter.

1.6 References in this Lease to "rentable square feet", "rentable square footage" and "rentable area" shall have the same meanings, and Tenant hereby acknowledges and agrees that the rentable square footage of the Premises shall be deemed, and is, 45,032 rentable square feet,

and the rentable square footage of the Building shall be deemed, and is, 46,752 rentable square feet. Landlord represents that the foregoing square footage determinations were the result of a measurement made of the Building and the Premises in accordance with BOMA Standard (i.e., the American National Standard method of measuring floor area in office buildings of the Building Owners and Managers Association (ANSI Z65.1 -2010)). The parties agree that the 45,032 rentable square foot measurement of the Premises and the 46,752 rentable square foot measurement of the Building shall not be changed, and no adjustment in the Monthly Basic Rent, any monetary or other obligation of Tenant, or any other term of this Lease shall be made by reason of a change in the rentable square footage of the Premises or the Building except in connection with a physical change in the size of the Premises (and, in the event of any such physical change in the size of the Premises, any remeasurement necessitated thereby shall be carried in accordance with the BOMA Standard).

2. Term.

2.1 The term of this Lease ("**Term**") shall be for the period designated in the Summary. The Term shall commence on the Lease Commencement Date and end on the Lease Expiration Date, unless the Term shall be sooner terminated or extended as hereinafter provided.

2.2 Tenant shall have one option (the "**Extension Option**") to extend the Term, for an additional five (5) year period (the "**Extended Term**") on all the terms and conditions contained in this Lease with the exception of the Monthly Basic Rent which shall be adjusted pursuant to the provisions of Paragraphs 4.2 and with the further exception that upon exercise of the Extension Option by Tenant, Tenant shall thereafter have no further right to extend the Term. In order to exercise the Extension Option, Tenant shall deliver written notice of its exercise of the option ("**Option Notice**") to Landlord no earlier than eighteen (18) months and no later than twelve (12) months prior to the expiration of the initial Term. The Extension Option shall be subject to the following terms and conditions:

(a) The Extension Option may be exercised only by delivery of the Option Notice as provided in this Paragraph and only if, as of the date of delivery of the Option Notice and the commencement date of the Extended Term, Tenant is not in default under this Lease beyond applicable notice and cure periods (hereinafter "**Default**")**.**

(b) The rights contained in this Paragraph shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (or an entity which controls, is controlled by or is under common control with Tenant, or to any entity resulting from the merger or consolidation with Tenant or to any person or entity which acquires substantially all of the assets of Tenant as a going concern) and only if the originally named Tenant (or an entity which controls, is controlled by or is under common control with Tenant, or to any entity resulting from the merger or consolidation with Tenant or to any person or entity which acquires substantially all of the assets of Tenant as a going concern) occupies at least the entire area on two adjacent floors of the Premises as of the date it exercises the Extension Option in accordance with the terms of this Paragraph.

(c) If Tenant properly exercises the Extension Option and is not in Default, at the end of the initial Term, the Term shall be extended for the applicable Extended Term, References in this Lease to the "**Term**" shall include the initial Term of nine (9) years, and shall, in addition, include the Extended Term, if applicable.

3. Early Access and Possession. Landlord shall give Tenant written notice of the date on which the Premises shall be available for the purposes as described in this Paragraph 3 ("**Early Access Date**")**.** It is anticipated that the Early Access Date shall occur on or about June 1, 2015. Landlord shall allow Tenant, and Tenant's contractors, vendors and service providers, access to the Premises and the Building at any time on or after the Early Access Date for the purpose of constructing the Tenant Improvements pursuant to the Work Letter and installing Tenant's furniture, fixtures, equipment and other personal property, and to prepare the Premises for Tenant's occupancy. Tenant shall provide Landlord with reasonable written evidence of liability insurance pursuant to Paragraph 21.1(a) prior to Tenant's entry onto the Premises pursuant to the provisions of this Paragraph 3. Landlord shall have no liability or responsibility for any damage to Tenant's property stored or kept on the Premises, whether prior or subsequent to the Lease Commencement Date except to the extent attributable to the negligence or willful misconduct of Landlord, Landlord's employees, agents, representatives or contractors (and, in any event, subject to the provisions of Paragraph 21.6 below).

4. Monthly Basic Rent/Rent Increases.

4.1 Tenant agrees to pay to Landlord, on a monthly basis, the Monthly Basic Rent designated in the Summary commencing on the Lease Commencement Date (subject to abatement as set forth in Paragraph 4.4 below). Commencing on the first anniversary of the Lease Commencement Date and continuing on each anniversary of the Lease Commencement Date thereafter, the Monthly Basic Rent shall increase by an amount equal to three percent (3%) of the Monthly Basic Rent payable for the month immediately preceding the applicable anniversary date as more particularly provided in the Summary. Tenant shall pay the Monthly Basic Rent in advance on the first day of each and every calendar month during said Term, except that the Monthly Basic Rent due for the first month of the Term shall be paid upon the execution hereof. In the event that the Lease Commencement Date occurs other than on the first day of a calendar month, (i) Monthly Basic Rent for the initial partial calendar month of the Lease Term shall be prorated in the proportion that the number of days this Lease is in effect during such calendar month bears to the actual number of days in the first month of the Term, and the prepaid first month's Monthly Basic Rent shall be applied to such prorated amount with the balance of the prepaid first month's Monthly Basic Rent being applied to reduce the payment of Monthly Basic Rent to be paid on the first day of the first full calendar month of the Term of this Lease, and (ii) the Monthly Basic Rent payable for any calendar month in which the amount of Monthly Basic Rent is to increase as provided in the Summary shall be determined by prorating the applicable lesser and greater Monthly Basic Rent based on the portion of the calendar month for which each is applicable with the sum of such prorated amounts being the Monthly Basic Rent for such calendar Month. Upon the determination of the Lease Commencement Date, the parties shall promptly enter into a Lease Commencement Agreement in the form of Exhibit C attached hereto, setting forth the Lease Commencement Date and a schedule of the Monthly Basic Rent payable hereunder in accordance with the provisions of this Paragraph 4.1. The Monthly Basic Rent and all additional rent including, without limitation, Operating Rent, shall be paid to Landlord without any prior demand therefor and without any deduction or offset whatsoever, except as expressly provided herein, in lawful money of the

United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in the Summary or to such other person or at such other place as Landlord may from time to time designate in writing delivered at least thirty (30) days prior to the date upon which such alternative address is to become effective. For purposes of this Lease, any amount due to Landlord from Tenant, including without limitation Monthly Basic Rent, Direct Operating Expenses and Common Operating Expenses shall be considered additional rent for purposes of this Lease and the word "**rent**" in this Lease shall include such additional rent as well as Monthly Basic Rent, Direct Operating Expenses and Common Operating Expenses unless the context specifically or clearly implies that only the Monthly Basic Rent, Direct Operating Expenses or Common Operating Expenses is referenced.

4.2 In the event Tenant exercises its Extension Option pursuant to the provisions of Paragraph 2.2, the Monthly Basic Rent shall be adjusted at the commencement of the Extended Term to reflect 100% of the "then-Fair Market Rental Value of the Premises" pursuant to the terms of this Paragraph. Landlord shall notify Tenant of Landlord's good faith estimation of the Fair Market Rental Value in writing within thirty (30) days of receipt of the Option Notice ("**Landlord's Estimate**"), setting forth in Landlord's Estimate any Comparable Transactions (defined below) upon which Landlord's Estimate is based. If Tenant does not agree with Landlord's Estimate, Tenant shall deliver written notice of Tenant's objection to Landlord within thirty (30) days of receipt of Landlord's Estimate, failing which Landlord's Estimate shall be deemed to be final. If Tenant timely objects to Landlord's Estimate, Landlord and Tenant shall diligently attempt in good faith to agree on the Fair Market Rental Value of the Premises on or before the thirtieth (30th) day following delivery of Tenant's written objection to Landlord's Estimate (the "**Outside Agreement Date**")**.** If Landlord and Tenant are unable to agree on the new Monthly Basic Rent by the Outside Agreement Date, the Fair Market Rental Value of the Premises shall be determined by real estate brokers pursuant to this Paragraph. The parties shall each select a broker within thirty (30) days of the Outside Agreement Date, who together shall attempt to determine the Fair Market Rental Value of the Premises. If either party fails to appoint a broker within such time period, the broker timely appointed by the other party shall be the sole broker, whose determination shall be binding on both parties. If two brokers are timely appointed, but they are unable to agree on the Fair Market Rental Value of the Premises within sixty (60) days of the Outside Agreement Date, they shall mutually select a third broker. In the event that the two brokers are unable to mutually select a third broker, within sixty (60) days of the Outside Agreement Date, either Landlord or Tenant shall be entitled to apply to the Superior Court in and for the County of San Francisco for appointment of a third broker in accordance with the procedures as established by such court. Upon the selection of the third broker, each of Landlord's broker and Tenant's broker shall place their final good faith determination of the Fair Market Rental Value of the Premises in an envelope and deliver same to the third broker as well as the other broker (each, a "**Final Determination**")**.** The third broker shall, within twenty (20) days of his/her selection following the delivery of the Final Determinations, choose one of the first two brokers' Final Determination as the applicable Fair Market Rental Value based on which of the two (2) it believes to be closest to its own determination. The third broker shall have no option but to select one or the other of the first two brokers' Final Determinations, and shall not have the power to propose a different Fair Market Rental Value. If either broker fails to deliver a Final Determination, then the Final Determination delivered by the other broker shall be deemed to be the Fair Market Rental Value. Each party shall bear the cost of their respective brokers; if a third broker is necessary, the parties shall share equally the cost of the third broker.

All brokers shall be licensed as such by the State of California, and shall have a minimum of ten (10) years' experience in the leasing of similar properties in the San Francisco South of Market District ("**Comparable Buildings**")**.** Comparable Buildings shall include, without limitation, 123 Townsend Street and 139 Townsend Street, San Francisco, California. As used herein, the "**South of Market District**" shall mean the area bordered by the following streets: King, Folsom, 4th Street and the Embarcadero. The Fair Market Rental Value shall mean the economic terms at which tenants, as of the first day of the applicable Extended Term, are leasing for a comparable term**, space** comparable to the Premises, from a willing landlord, at arm's length, which comparable space is located in Comparable Buildings with similar amenities ("**Comparable Transactions**"), or, if such Comparable Buildings, or comparable space within Comparable Buildings, is not available, adjustments shall be made in the determination of Fair Market Rental Value to reflect the age and quality of the Building and Premises as contrasted to other buildings used for comparison purposes, taking into consideration location, views, quality and nature of improvements, proposed term of the lease, extent of services to be provided, the time that the particular rate under consideration became or is to become effective, as well as all tenant concessions and inducements, the standard of measurement by which the rentable area of each space is measured and parking availability, which shall (i) not be subleased, and (ii) shall be leased for a term comparable to the subject Extended Term, upon terms comparable to those contained in this Lease other than Monthly Basic Rent. The intent of the parties is that Tenant will obtain the same rent and other economic benefits that landlords would otherwise give in Comparable Transactions and that Landlord will make and receive the same economic payments and concessions that landlords would otherwise make and receive in Comparable Transactions. The Monthly Basic Rent shall be adjusted to reflect the Fair Market Rental Value, as so determined. The brokers shall expressly consider in their determination of Fair Market Rental Value of the Premises the date on which the Extended Term is to commence, acknowledging that the date on which the determination is made may be several months prior to the date on which the Extended Term commences, The determination of Fair Market Rental Value shall also include the determination of annual increases in the Monthly Basic Rent throughout the Extended Term, to the extent that such increases are typically being applied in the leases of comparable properties used in determining the Fair Market Rental Value.

4.3 All payments received by Landlord from Tenant shall be applied to the oldest payment obligation owed by Tenant to Landlord. No designation by Tenant either in a separate writing or in a check or money order, shall modify this clause or have any force or effect.

4.4 Provided that Tenant is not in Default, then during the first four (4) months of the Term (the "**Rent Abatement Period**"), Tenant shall not be obligated to pay the Monthly Basic Rent otherwise attributable to the Premises during such Rent Abatement Period (the "**Rent Abatement**")**.** The Rent Abatement Period shall commence as of the Lease Commencement Date. Landlord and Tenant acknowledge that the aggregate amount of the Rent Abatement equals Eight Hundred Forty Thousand Five Hundred Ninety-Seven Dollars and Thirty-Two Cents ($840,597.32). Tenant acknowledges and agrees that the foregoing Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the rent and performing the terms and conditions otherwise required under this Lease. If at any time Tenant shall be in Default under this Lease, and if this Lease is terminated by Landlord as a consequence of such Default, then Landlord may include in its claim for termination damages, the unamortized (as of the date of the Default) amount of the Rent

Abatement (assuming amortization of the Rent Abatement on a straight-line basis over the Term). Notwithstanding the above provisions of this Paragraph 4.4, Tenant shall be obligated to pay to Landlord the initial installment of Monthly Basic Rent prior to the Early Access Date, which initial installment of Monthly Basic Rent shall be applied after expiration of the Rent Abatement Period consistent with the provisions of Paragraph 4.1 above.

5. Payment of Direct Operating Expenses. Commencing as the Lease Commencement Date Tenant shall pay directly or reimburse Landlord for the costs and expenses ("**Direct Operating Expenses**") set forth below in this Paragraph 5. Costs to be reimbursed to Landlord as more particularly provided in Paragraphs 5.2 and 5.3 below shall be reimbursed in accordance with the provisions of Paragraphs 6.2 and 6.3 below in a manner consistent with the reimbursement to Landlord of Tenant's Share of Common Operating Expenses.

5.1 Tenant shall pay prior to delinquency all taxes assessed against and levied upon Tenant owned leasehold improvements, trade fixtures, furnishings, equipment and all personal property of Tenant contained in the Premises or elsewhere. When possible, Tenant shall cause its leasehold improvements other than the Tenant Improvements, trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord.

5.2 Tenant shall reimburse Landlord for the cost of all Base Building Services and services as otherwise provided by Landlord pursuant to provisions of Paragraph 18 as more particularly provided in such Paragraph,

5.3 Tenant shall reimburse Landlord for Landlord's costs in connection with matters benefitting the Premises but not-the Retail Space including, without limitation, maintenance and repair of the elevator and the HVAC systems serving the Premises. The exclusions set forth below in Paragraph 6.2 shall also be deemed exclusions to the expenses payable by Tenant pursuant to the provisions of this Paragraph 5.3, and the limitation on the inclusion of capital expenses set forth below in Paragraph 6 shall similarly apply to Tenant's obligations to reimburse Landlord for capital items pursuant to the provisions of this Paragraph 5.3.

6. Payment of Taxes, Common Operating Expenses and Other Charges.

6.1 Landlord shall pay prior to delinquency all Real Property Taxes (as defined below) which accrue in connection with the Building beginning on the Commencement Date and continuing thereafter throughout the Term of this Lease, and Tenant shall reimburse Landlord for Tenant's Share of all Real Property Taxes paid by Landlord relating to the Premises within thirty (30) days of receipt of Landlord's invoice therefor and evidence of payment. If any installment of Real Property Taxes paid by Landlord covers any period of time prior to the Lease Commencement Date or after expiration of the Term, Tenant's Share of the Real Property Taxes shall be equitably prorated to cover only the period of time on and after the Lease Commencement Date that this Lease is in effect, and Landlord shall reimburse Tenant for any overpayment by reason of such proration. If Landlord receives a refund of Real Property Taxes, attributable to any period during the Term, Landlord shall, either pay to Tenant, or credit against subsequent payments of Common Operating Expenses due hereunder, an amount equal to Tenant's Share of the refund, net of any reasonable expenses incurred by Landlord in achieving

such refund; provided, however, if this Lease shall have expired or is otherwise terminated, Landlord shall refund in cash any such refund or credit due to Tenant within thirty (30) days after Landlord's receipt of such refund. Landlord's obligation to so refund to Tenant any such refund of Real Property Taxes shall survive such expiration or termination.

As used herein, the term "**Real Property Taxes**" shall include any form of real estate tax, any tax levied on the collection of rent payable under this Lease (whether in the form of a business tax or rental income tax), any general, special, ordinary or extraordinary assessment, any improvement bond, levy or similar tax (or any other fee, charge, or excise which may be imposed as a substitute for any of the foregoing) imposed upon the Building by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district, levied against any legal or equitable interest of Landlord in the Premises. Real Property Taxes shall not include (i) any estate, inheritance, transfer, gift, state or federal income or franchise taxes, or (ii) any penalties or interest accrued in connection with the Real Property Taxes (unless the result of Tenant's failure to comply with its obligations under this Lease) or (iii) any taxes directly payable by any occupant of the Building (including Tenant) pursuant to the provisions of such occupant's lease or other occupancy agreement. Tenant acknowledges that Tenant shall be responsible for the payment of any increase in Real Property Taxes during the Term resulting from construction of the Tenant Improvements or any subsequent improvements constructed by Tenant during the Term. To the extent any Real Property Taxes may permit the payment in installments (such as a special assessment), Landlord shall elect to cause the same to be paid in the maximum allowable number of installments, and Tenant shall only be responsible for paying those installments to the extent accruing during the Term of the Lease.

Tenant shall be entitled to contest any Real Property Taxes for which Tenant is responsible provided that Tenant shall obtain Landlord's consent (which consent shall not be unreasonably withheld, conditioned or delayed) prior to contesting any Real Property Taxes, and in the event of such tax contest by Tenant, Tenant shall (i) fully indemnify Landlord pursuant to the provisions of this Lease, for any loss or liability incurred by Landlord as a consequence of Tenant's contest of Real Property Taxes (provided, however, that such indemnity obligation shall not include the obligation to compensate Landlord on the basis of any claim that Tenant's challenge or appeal of Real Property Taxes should have resulted in a reduction in Real Property Taxes that is greater than the reduction (if any) in Real Property Taxes realized as a consequence of Tenant's challenge of Real Property Taxes and (ii) bear the full cost of any such contest including without limitation the cost of any interest and penalties which may be assessed. If a change in Real Property Taxes is obtained for any year of the Term, then Real Property Taxes for that year shall be retroactively adjusted to reflect any actual reduction realized by Landlord and Landlord shall provide Tenant with a credit, if any, based on the actual adjustment. Landlord shall notify Tenant in writing of any material change in any tax assessment or reassessment of the Building and the Site within sufficient time to allow Tenant to review (and protest or appeal, if appropriate) such assessment or reassessment. Landlord shall cooperate at no more than a nominal cost to Landlord and in good faith with Tenant in connection with any protest or contest of taxes or assessments made by Tenant.

6.2 Tenant shall pay to Landlord Tenant's Share (as defined in the Summary) of all expenses incurred by Landlord in the operation of the Building, excluding any expenses paid directly by any tenant of the Building including, without limitation, the Direct Operating Expenses payable by Tenant (the "**Common Operating Expenses**"), pursuant to this Paragraph, Common Operating Expenses are intended to be inclusive of all costs of operating and maintaining the Building and the real property on which it is situated exclusive only of the Direct Operating Expenses, subject to the exclusions and limitations set forth herein. Landlord agrees to make reasonable efforts to minimize costs insofar as such efforts are not inconsistent with Landlord's intent to operate and maintain the Building in a first class manner. At Tenant's request, Landlord and Tenant shall meet and confer on an annual basis to review Landlord's anticipated Common Operating Expenses (and any projects or programs included therein) over the ensuing calendar year. Common Operating Expenses may include, but shall not be limited to, the following: all costs and expenses of repairing, operating and maintaining the heating, ventilating and air conditioning ("**HVAC**") system for the Building, the elevators, and all other major systems and components of the Building other than costs constituting Direct Operating Expenses, including maintenance contracts therefore; costs and expenses incurred by Landlord in providing water and sewer service to the Building, and other utilities and services not directly paid for by Tenant as a portion of the Direct Operating Expenses or otherwise or payable by any other Building occupant; costs incurred by Landlord for accountants and other professionals reasonably necessary in making the computations required hereunder; all costs and expenses incurred by Landlord in operating, managing, maintaining and repairing the Building including without limitation, all sums expended in connection with the general maintenance and repair of the Building, window washing, maintenance and repair of stairways, Building signs, the Building Systems (defined below), planting and landscaping (if any), costs of supplies and personnel to implement such services, rental and/or depreciation of machinery and equipment used in providing maintenance and other services, fire protection services, and trash removal services and a reasonable management fee payable to Landlord (such property management fee shall not exceed four percent (4.0%) of all Gross Revenues; "**Gross Revenues**" shall mean the aggregate of the annual rentals and other revenue of any kind whatsoever derived from the use or occupancy of the Building, accrued or collected with respect to the Building, excluding only any management fee chargeable to Tenant in the calculation of the Common Operating Expenses (so as to prevent Landlord, Landlord's affiliate, or the Building's management company from earning a management fee on the management fee). Landlord may cause any or all of said services to be provided by an independent contractor or contractors, or the Building management company, provided that any salary, wage or other similar charges or expenses payable by Landlord shall not be included in the Common Operating Expenses other than (i) direct labor costs incurred by Landlord to perform maintenance and repairs and other services at the Building, and (ii) a portion of the salary of a building manager/superintendent to the extent the same is dedicated to the Building and the cost thereof is passed through to Landlord by Landlord's building management company. Common Operating Expenses may also include all costs of (i) capital improvements, repairs, alterations or replacements made to the Building or any Building System carried out in order to conform to changes subsequent to the Effective Date in any applicable laws, ordinances, rules, regulations or orders of any governmental or quasi-governmental authority having jurisdiction over the Building or (ii) any capital improvements or replacement carried out for the purpose of improving the performance or efficiency of any Building System (referred to herein as "**Permitted Capital Expenditures**")**.** Permitted Capital

Expenditures shall be amortized (including interest at a rate of eight percent (8%) per annum) over the useful life of such capital improvement, repair, alteration or replacement, as reasonably determined in accordance with generally accepted accounting principles consistently applied ("**GAAP**"**).** Costs and expenses incurred by Landlord in operating, managing and maintaining the Building which are incurred exclusively for the benefit of a specific tenant of the Building will not be included in the Common Operating Expenses.

Notwithstanding anything to the contrary contained in this Lease, the following shall not be included within Common Operating Expenses: (i) leasing commissions, attorneys' fees, costs, disbursements, and other expenses incurred in connection with negotiations or disputes with tenants, or in connection with leasing, renovating, or improving space for tenants or other occupants or prospective tenants or other occupants of the Building; (ii) the cost of any service sold to any tenant (including Tenant) or other occupant for which Landlord is entitled to be reimbursed as an additional charge or rental over and above the basic rent and escalations payable under the lease with that tenant including, without limitation, the Direct Operating Expenses payable by Tenant pursuant to this Lease; (iii) depreciation other than depreciation on exterior window coverings provided by Landlord and carpeting in public corridors and common areas and the personal property referred to above; (iv) expenses in connection with services or other benefits of a type that are not provided to Tenant but which are provided another tenant or occupant of the Building; (v) overhead profit increments paid to Landlord's subsidiaries or affiliates for management or other services on or to the Building or for supplies or other materials to the extent that the cost of the services, supplies, or materials exceeds the cost that would have been paid had the services, supplies, or materials been provided by unaffiliated parties on a competitive basis; (vi) all interest, loan fees, and other carrying costs related to any mortgage or deed of trust or related to any capital item, and all rental and other payable due under any ground or underlying lease, or any lease for any equipment ordinarily considered to be of a capital nature (except janitorial equipment which is not affixed to the Building); (vii) any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord; (viii) advertising and promotional expenditures; (ix) costs of repairs and other work occasioned by fire, windstorm, or other casualty of an insurable nature; (x) any costs, fines, or penalties incurred due to violations by Landlord of any governmental rule or authority, this Lease or any other lease in the Building, or due to Landlord's negligence or willful misconduct; (xi) the cost of correcting any building code or other violations which were violations prior to the Lease Commencement Date; (xii) the cost of containing, removing, or otherwise remediating any contamination of the Building (including the underlying land and ground water) by any toxic or Hazardous Materials (defined in Paragraph 8.2(b)) where such contamination was not caused by Tenant; (xiii) costs for sculpture, paintings, or other objects of art (and insurance thereon or extraordinary security in connection therewith); and (xiv) wages, salaries, or other compensation paid to any executive employees above the grade of building manager; any other expense that under generally prevailing property management practices within the South of Market District would not be considered a normal maintenance or operating expense which is properly passed through to tenants. Additionally, any deductible payment under any Landlord's policy of earthquake insurance shall be included in Common Operating Expenses and, for the purpose of such inclusion shall be treated as a Permitted Capital Expenditure with a useful life of ten (10) years

On or before the first day of each partial or full calendar year during the Term, or as soon as practicable thereafter, Landlord shall give to Tenant written notice of Landlord's estimate of the Direct Operating Expenses and Tenant's Share of Common Operating Expenses payable by Tenant pursuant to Paragraphs 5 and this Paragraph 6.2, respectively for such calendar year or partial calendar year, as the case may be, which estimate shall be in form comparable to a Landlord's Statement (defined below) and include a line-item breakdown of component costs. On or before the first day of each month during each calendar year or partial calendar year, as the case may be, Tenant shall pay to Landlord one-twelfth (l/12th) (or the applicable pro rata portion for any partial calendar year based on the number of months constituting such partial calendar year) of the estimated Direct Operating Expenses and Tenant's Share of Common Operating Expenses; provided, however, that if Landlord's notice is not given prior to the first day of any calendar year, Tenant shall continue to pay the Direct Operating Expenses and Common Operating Expenses on the basis of the prior year's estimate until the month after Landlord's notice is given. At any time and from time to time during the Term, Landlord may furnish Tenant with written notice of a re-estimation of the annual Direct Operating Expenses and/or Tenant's Share of Common Operating Expenses to reflect more accurately, in Landlord's reasonable opinion, the then-current Direct Operating Expenses and/or Common Operating Expenses. Commencing on the first day of the calendar month which commences at least thirty (30) days following the date of Landlord's delivery of such notice to Tenant, and continuing on the first day of each subsequent calendar month during the applicable calendar year (until subsequently re-estimated), Tenant shall pay to Landlord one-twelfth of the Tenant's Share of the estimated annual Common Operating Expenses, as re-estimated as well as one-twelfth (l/12th) of the estimated annual Direct Operating Expenses as re-estimated.

6.3 After the expiration of each calendar year during the Term hereof Landlord shall furnish to Tenant an itemized statement, certified as correct by Landlord, setting forth the total Direct Operating Expenses and Common Operating Expenses for the preceding calendar year, the amount of Tenant's Share of Common Operating Expenses and the payments made by Tenant with respect to such calendar year ("**Landlord's Statement**")**.** Such annual statement shall be set forth in reasonable detail both the Direct Operating Expenses and Tenant's Share of Common Operating Expenses.

(a) a line-item breakdown showing at least the following major categories and subcategories of costs:

(i) maintenance and repairs (cleaning; security; elevators; supplies; waste removal; heating, ventilation and air conditioning);

(ii) landscaping;

(iii) utilities (electricity; gas; and water and sewer);

(iv) insurance;

(v) salaries (engineering; and administrative); and

(vi) general and administrative (management fees; professional services; office supplies; and other).

If Tenant's Share of the actual Common Operating Expenses and/or the actual Direct Operating Expenses for such year as set forth in Landlord's Statement exceeds the payment so made by Tenant, Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of such statement. If the payments so made by Tenant exceed Tenant's Share of the actual Common Operating Expenses and/or the actual Direct Operating Expenses, Tenant shall be entitled to offset the excess against the next payment(s) due to Landlord because of Direct Operating Expenses and/or Common Operating Expenses, or to receive from Landlord cash in such amount, within thirty (30) days if this Lease has terminated. Until Tenant receives Landlord's Statement pursuant to this Paragraph setting forth a new amount of Tenant's estimated Tenant's Share of Common Operating Expenses and the Direct Operating Expenses for the new calendar year, Tenant shall continue to pay such Tenant's Share of the Common Operating Expenses and the Direct Operating Expenses at the rate being paid for the year just completed. Landlord shall maintain at all times during the Term, at the office of Landlord's property manager in San Francisco, California, full, complete and accurate books of account and records prepared in accordance with generally accepted accounting principles with respect to Common Operating Expenses, Real Property Taxes and Direct Operating Expenses, and shall retain such books and records, as well as contracts, bills, vouchers, and checks, and such other documents as are reasonably necessary to properly audit Common Operating Expenses, Real Property Taxes and Direct Operating Expenses. Within one hundred twenty (120) days after receipt of Landlord's Statement, Tenant shall have the right to audit at the offices of Landlord's property manager located in San Francisco, at Tenant's expense, Landlord's accounts and records relating to Common Operating Expenses, Real Property Taxes and Direct Operating Expenses. Such audit shall be conducted by an employee of Tenant or by a certified public accountant approved by Landlord, which approval shall not be unreasonably withheld. In no event shall Tenant use an auditing service that performs operating expense audits on a "contingency" or "percentage savings" basis. If the final determination reveals that Landlord has overcharged Tenant, the amount overcharged shall be credited against Tenant's next Common Operating Expenses and Direct Operating Expense payment obligations, or paid in cash within thirty days, if the Lease has terminated. In the event the audit reveals Tenant has underpaid its portion of Common Operating Expenses and/or Direct Operating Expenses, Tenant shall remit the shortfall to Landlord within thirty (30) days. Additionally, if Landlord is determined to have overcharged Tenant for Operating Expenses, Real Property Taxes and Direct Operating Expenses by five percent (5%) or more, Landlord shall reimburse Tenant within thirty (30) days following such determination for the reasonable cost of Tenant's review of Landlord's books and records (which cost may not be included as a Common Operating Expense). Notwithstanding the foregoing, Tenant shall not be responsible for any Common Operating Expenses attributable to any year which is first billed to Tenant more than two (2) calendar years after the date of expiration of the year to which such Common Operating Expense applies, provided that Tenant shall nonetheless be responsible for any such sums for any year if the same are first levied by any governmental authority or by any public utility companies following the date that is two (2) calendar years following the expiration of such year.

6.4 Tenant acknowledges that Landlord intends to obtain a LEED-EB certification for the Building (Leadership in Energy and Environmental Design - Existing Building), and that the cost of obtaining such certification will be amortized over the useful life of such systems calculated in accordance with GAAP, and the monthly amortized cost thereof (including an annual interest rate factor of eight percent (8%)) shall be included as a part of Common

Operating Expenses payable by Tenant. Tenant also agrees to reasonably cooperate with Landlord to obtain and maintain the LEED-EB certification, including without limitation complying with Landlord's rules and regulations regarding recycling, use of "green" cleaning products and the like, as the same may be required in connection with the LEED-EB program. For purposes of this Paragraph 6.4 and the cost of obtaining LEED-EB certification, such costs included in Common Operating Expenses shall not include (i) the cost of replacement of the air handler and chiller on the roof of the Building, (ii) the cost of replacing the roof of the Building, (iii) the cost of replacing the elevator for the Building, or (iv) the cost for which Landlord is responsible pursuant to the Work Letter relating to compliance with Title 24 of the California Code of Regulations, all of which costs are anticipated to be incurred by Landlord prior to the Lease Commencement Date. Notwithstanding any provision to the countrary of this Paragraph 6.4 in no event shall the aggregate amount payable by Tenant pursuant to the provisions of this Paragraph 6.4 during the initial term of nine (9) years exceed Two Hundred Thousand Dollars ($200,000).

7. Security Deposit. As and for security for Tenant's full and faithful performance of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant, Tenant, upon execution of this Lease, shall deposit with Landlord a security deposit of Two Million Seven Hundred Seventy-Three Thousand Two Hundred Eighty Seven Dollars ($2,773,287) in cash or, at Tenant's option, in the form of an unconditional, irrevocable letter of credit ("**LOC**") in such amount in favor of Landlord in a form and from a financial institution located in San Francisco, California (or alternatively accepting presentations for draw purposes by facsimile and/or overnight courier), reasonably acceptable to Landlord. Landlord hereby approves Silicon Valley Bank as the bank issuing the LOC. At any time during the Term upon at least ten (10) business days' prior notice to Landlord, Tenant may elect to convert the form of the Security Deposit from cash to a LOC or from a LOC to cash, so long as the provisions of this Paragraph 7 are complied with. If at any time during the Term, any item constituting rent as provided herein, or any other sum payable by Tenant to Landlord hereunder, shall be overdue and unpaid beyond any applicable notice and cure periods, then Landlord may, at the sole option of Landlord, but without any requirement to do so, and without prejudice to any other remedy which Landlord may have, access the cash deposit, or draw down or make a claim or demand for draw against the LOC, in the amount of the sum equal to the overdue and unpaid amount, together with Landlord's actual and reasonable expenses incurred in connection with the Default, and apply such sum to payment of such overdue rent or other sum. The LOC shall provide for partial draws and further provide that any draw thereunder shall be accompanied by a certificate of an officer or manager of Landlord stating that Tenant is in Default and that Landlord or its authorized agent is entitled to draw down on the LOC the amount requested pursuant to the terms of this Lease. Further in the event of the failure of Tenant to keep and perform any nonmonetary term, covenant or condition of this Lease to be kept or performed by Tenant beyond any applicable cure periods and the receipt of any required notice, at the sole option of Landlord, and without prejudice to any other remedy which Landlord may have, Landlord may access the cash deposit or draw down the entire LOC, or so much thereof as may be necessary to compensate Landlord for any loss or damage sustained or suffered by Landlord, or which Landlord may sustain or suffer, due to such breach on the part of Tenant. In the event that all or any portion of the cash deposit is accessed or the LOC is drawn down by Landlord to pay overdue rent or other sums due and payable to Landlord by Tenant hereunder as described in this Paragraph 7, then Tenant shall, within ten (10) business days after receipt of written demand of Landlord, deliver

to Landlord a sufficient amount in an additional LOC (or cash, as the case may be) to restore Landlord's security to the original, total amount of the security deposit as provided in this Paragraph. Any failure on the part of Tenant to do so within ten (10) business days following the date on which written demand for restoration is deemed given hereunder, shall constitute a Default of this Lease pursuant to Paragraph 25.1(d) below without further written notice to Tenant. The LOC shall be maintained by Tenant during the entire Term of this Lease and for a period of thirty (30) days thereafter (the last day of such thirty (30) day period shall be referred to as the "**Return Date**")**.** If the LOC is to expire before the Return Date, Tenant shall replace the LOC by providing Landlord with a substitute LOC at least thirty (30) days prior to the expiration date of the then effective LOC being held by Landlord in the applicable amount required hereunder and the failure to do so shall constitute a Default entitling Landlord to draw the full amount of the LOC and hold the proceeds thereof as a cash security deposit hereunder. The LOC shall provide, in part, that the LOC shall be automatically renewed through and including at least the Return Date unless the issuer gives written notice to Landlord at least thirty (30) days prior to the expiration of the LOC that such issuer does not intend to renew the LOC. In such event, Landlord shall be entitled to draw the full amount of the LOC and hold the proceeds thereof as a cash security deposit hereunder unless a substitute LOC is delivered by Tenant to Landlord at least twenty (20) days prior to the expiration of the then existing LOC. Any cash deposit held by Landlord as security shall be non-interest bearing and may be commingled by Landlord with other funds of Landlord. In the event Landlord transfers the security deposit to any successor in interest of Landlord to title of the Site and Building, then, in such event, Landlord shall be discharged from any further obligation or liability with respect to the security deposit. Any LOC issued in favor of Landlord may, if required by any lender holding a mortgage or deed of trust secured by the Site and Building, be transferred to such lender provided that such lender, Landlord and Tenant enter into an agreement reasonably acceptable to all parties governing such lender's right to draw down money on, or further transfer, the LOC. Tenant waives the provisions of California Civil Code Section 1950.7 and all other provisions of law now in force or that become in force after the date of execution of this Lease that provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damages caused by Tenant, or to clean the Premises. Landlord and Tenant agree that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any loss or damage caused by the act or omission by Tenant or Tenant's officers, agents, employees, independent contractors or invitees as elsewhere provided herein. Upon the expiration or earlier termination of this Lease, Landlord shall return to Tenant within thirty (30) days of Tenant vacating the Premises so much of the security deposit as has not been applied or entitled to be held by Landlord to be applied to cure any and all defaults by Tenant and/or to compensate Landlord for any and all damages or loss suffered or which may be suffered by Landlord resulting from the default or breach by Tenant.

8. Use.

8.1 Tenant shall use the Premises for general office purposes, including administrative functions, and all purposes reasonably incident thereto and reasonably commensurate with the operation and occupancy of a technology company headquarters in the South of Market District, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion. Subject to Landlord's prior written approval of plans

therefore, Tenant shall have the right to use a portion of the Premises for the operation of, and include in the Tenant Improvements (or subsequent Changes) the construction of, a kitchen/cooking facility (including a gas line of adequate capacity with gas lines stubbed to the Premises) for Tenant's employees and guests only (in no event shall such kitchen/cooking facility be open to or serve the general public), on and subject to the following terms and conditions: Tenant shall be responsible, at its sole cost and expense (subject to the application of the Tenant Improvement Allowance), for obtaining all applicable permits, licenses and governmental approvals necessary for the use of the Premises for such kitchen/cooking facility uses (including, without limitation, any necessary approvals from the applicable health and/or fire departments, permits required in connection with any venting or other air-removal/circulation system, and any required fire-suppression systems), copies of which shall be delivered to Landlord prior to Tenant's installation of any alterations in the Premises in connection with such kitchen/cooking facility uses. Tenant shall have access to the Premises 24 hours per day/ 365 days per year. Tenant shall not use or occupy the Premises in violation of any recorded covenants, conditions and restrictions affecting the Site or of any law, code, regulation, rule, order, or injunction or of the Certificate of Occupancy issued for the Building. Upon five (5) business days written notice from Landlord, Tenant shall discontinue any specific use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of any recorded covenants, conditions and restrictions affecting the Site or of any law, code, regulation, rule, order, or injunction or of the Certificate of Occupancy. However, Tenant, at Tenant's expense, may contest by appropriate proceedings in good faith the legality or applicability of any law affecting the Premises, provided that (i) the Building or any part thereof (including the Premises) shall not be subject to being condemned or vacated by reason of noncompliance or otherwise by reason of such contest, (ii) no unsafe or hazardous condition remains unremedied as a result of such contest, (iii) such non-compliance or contest is not prohibited under any then-applicable mortgage, (iv) such non-compliance or contest shall not prevent Landlord from obtaining any and all permits and licenses then required by applicable laws in connection with the operation of the Building, and (v) the Certificate of Occupancy for the Building (or any portion) is neither subject to being suspended by reason such of non-compliance or contest (any such proceedings instituted by Tenant being referred to herein as a "**Compliance Challenge**")**.** In the event that Tenant commences a Compliance Challenge, Tenant's obligation to cease any use specified in Landlord's notice and/or obligation to comply with the applicable law in question shall, unless otherwise mandated by applicable law, be suspended pending the resolution of the Compliance Challenge. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building without Landlord's prior written consent. Landlord shall not unreasonably withhold, delay or condition Landlord's consent to Tenant's installation of antennae on the roof of the Building. Subject to Tenant's right to commence a Compliance Challenge, Tenant shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Tenant's specific use or alteration of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or any other insurance policy covering the Site, the Building, the Premises, and/or property located therein and shall comply with all rules, orders, regulations and requirements of the Pacific Fire Rating Bureau or any other organization performing a similar function. Upon demand, Tenant shall promptly reimburse Landlord as additional rent for any additional premium charged for

such policy by reason of Tenant's failure to comply with the provisions of this Paragraph 8. Tenant shall not do or permit anything to be done in or about the Site, the Building, and/or the Premises which will unreasonably obstruct or interfere with the rights of other tenants or occupants of the Building, or injure them, or use or allow the Premises to be used for any unlawful purpose. Tenant shall not cause, maintain or permit any nuisance in, on or about the Site, the Building and/or the Premises, or allow any noxious odors to exist at or emanate from the Site, the Building and/or the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Site, the Building and/or the Premises and shall keep the Premises in good repair and appearance. Tenant shall not place a load upon the Premises which exceeds the average pounds of live load per square foot of floor area specified for the Building by Landlord's architect Huntsman Architectural Group, with the partitions to be considered a part of the live load. Landlord reserves the right to reasonably prescribe the weight and position of all safes, files and heavy equipment which Tenant desires to place in the Premises so as to distribute properly the weight thereof, based upon Landlord's architect's written recommendation, which Landlord will provide to Tenant. Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant as to eliminate such vibration or noise. Tenant shall be responsible for all structural engineering required to determine structural load. Tenant shall fasten all files, bookcases and like furnishings to walls in a manner to prevent tipping over in the event of earth movements. Landlord shall not be responsible for any damage or liability for such events.

8.2 Except for the normal and proper use and storage of typical cleaning fluids and solutions, and office equipment supplies (such as copier toner), in amounts commensurate with Tenant's permitted use and occupancy of the Premises, Tenant shall not use, introduce to the Site, the Building and/or the Premises, generate, manufacture, produce, store, release, discharge or dispose of, on, under or about the Site, the Building and/or the Premises or transport to or from the Site, the Building and/or the Premises any Hazardous Material (as defined below in this Paragraph 8.2) or allow its employees, agents, contractors, invitees or any other person or entity to do so. Tenant warrants that it shall not make any use of the Site, the Building and/or the Premises which may cause contamination of the soil, the subsoil or ground water. Tenant shall not permit the Premises to be in violation of any laws regarding Hazardous Materials brought onto the Premises by Tenant, its employees, agents or contractors; provided however that nothing in this Lease shall be construed to impose responsibility on Tenant for the remediation of Hazardous Materials that (i) were present in, on or under the Building on the Lease Commencement Date, (ii) are introduced into the Premises by Landlord' its employees, agents or contractors, or (iii) which may migrate to the Premises through the air, water or soil through no fault of Tenant, its employees, agents or contractors. Tenant shall give immediate written notice to Landlord of (i) any action, proceeding or inquiry by any governmental authority or any third party with respect to the presence of any Hazardous Material on the Site, the Building and/or the Premises or the migration thereof from or to other property or (ii) any spill, release or discharge of Hazardous Materials that occurs with respect to the Site, the Building and/or the Premises or Tenant's operations, of which Tenant has notice. Landlord shall give immediate written notice to Tenant of (i) any action, proceeding or inquiry by any governmental authority or any third party with respect to the presence of any Hazardous Material on the Site, the Building and/or the Premises or the migration thereof from or to other property or (ii) any spill, release or discharge of Hazardous Materials that occurs with respect to the Site, the Building and/or the Premises or Landlord's operations, of which Landlord has notice.

(a) Tenant shall indemnify and hold harmless Landlord, its directors, officers, members, employees, managers, agents, successors and assigns (collectively "**Landlord Parties**", individually a "**Landlord Party**") from and against any and all claims arising from Tenant's use, generation, manufacture, production, storage, release, discharge or disposal of Hazardous Materials on the Site, the Building and/or the Premises in violation of the terms, covenants and conditions of this Paragraph 8. The indemnity shall include all costs, fines, penalties, judgments, losses, attorney's fees, expenses and liabilities incurred by any of the Landlord Parties for any such claim or any action or proceeding brought thereon including, without limitation,' (a) all actual damages; and (b) the costs of any cleanup, detoxification or other ameliorative work of any kind or nature required by any governmental agency having jurisdiction thereof, including without limitation all costs of monitoring and all fees and expenses of consultants and experts retained by and of the Landlord Parties. This indemnity shall survive the expiration or termination of this Lease. In any action or proceeding brought against any of the Landlord Parties by reason of any such claim, upon notice from such Landlord Party if such Landlord Party does not elect to retain separate counsel, Tenant shall defend the same at Tenant's expense by counsel reasonably satisfactory to such Landlord Party. Landlord shall indemnify and hold harmless Tenant, its directors, officers, members, employees, agents, successors and assigns (collectively "**Tenant Parties**", individually a "**Tenant Party**") from and against any and all claims arising from the use, generation, manufacture, production, storage, release, discharge or disposal of Hazardous Materials on the Site, the Building and/or the Premises occurring prior to the Lease Commencement Date or during the Lease Term as a result of Landlord's or Landlord Parties' use, generation, manufacture, production, storage, release, discharge or disposal of Hazardous Materials on the Site, the Building and/or the Premises.

(b) As used herein, the term "**Hazardous Material**" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the city or state in which the Premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the Food and Drug Administration, the California Water Resources Control Board, the Regional Water Quality Control Board, San Francisco Bay Region, the California Air Resources Board, CAL/OSHA Standards Board, Division of Occupational Safety and Health, the California Department of Food and Agriculture, the California Department of Health Services, and any federal agencies that have overlapping jurisdiction with such California agencies, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Without limiting the generality of the foregoing, the term "Hazardous Material" shall include all of those materials and substances defined as "hazardous materials" or "hazardous waste" in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30, as the same shall be amended from time to time, petroleum, petroleum-related substances and the by-products, fractions, constituents and sub-constituents of petroleum or petroleum-related substances, asbestos, and any other materials requiring remediation now or in the future under federal, state or local statutes, ordinances, regulations or policies.

9. Payments and Notices. All rents and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord by check, cashier's check, ACH bank account transfer or wire transfer at the address designated by Landlord in the Summary or at such other places as Landlord may hereafter designate in writing at least thirty (30) days prior to the effective date upon which payments are to be made to such alternate address. Any notice required or permitted to be given hereunder must be in writing and may be given by personal delivery, certified mail, return receipt requested, or by recognized overnight courier. If notice is given by personal delivery, such notice shall be deemed to be given upon delivery (unless the date of delivery is a weekend or holiday, in which event such notice shall be deemed given upon the next succeeding business day). If notice is given by certified mail addressed to Tenant or to Landlord at the address designated in the Summary, then such notice shall be deemed given three (3) business days following deposit in the U.S. Mail, postage prepaid, addressed to Tenant or to Landlord at the addresses designated in the Summary. If notice is given by overnight courier, notice shall be deemed given the next business day following delivery to the courier for next business day delivery, charges prepaid, addressed as stated above. Either party may by written notice to the other specify a different address for notice purposes except that Landlord may in any event use the Premises as Tenant's address for notice purposes. If more than one person or entity constitutes the "Tenant" under this Lease, the giving of any notice upon any one of said persons or entities shall be deemed as giving notice to all of said persons or entities.

10. Brokers. The parties recognize that the brokers who negotiated this Lease are the brokers whose names are stated in the Summary, and agree that Landlord shall be solely responsible for the payment of brokerage commissions to said brokers. Tenant shall have no responsibility therefor. As part of the consideration for the granting of this Lease, Tenant represents and warrants to Landlord that no other broker, agent or finder was hired by Tenant, negotiated with Tenant or, to Tenant's knowledge, was instrumental in negotiating or consummating this Lease and to Tenant's knowledge there is no other real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this Lease. Any broker, agent or finder of Tenant whom Tenant has failed to disclose herein shall be paid by Tenant. Tenant shall hold Landlord (and/or each of the Landlord Parties) harmless from all damages and indemnify Landlord (and/or each of the Landlord Parties) for all said damages paid or incurred by Landlord (and/or each of the Landlord Parties) resulting from any claims that may be asserted against Landlord (and/or each of the Landlord Parties) by any broker, agent or finder who has, or has claimed to have, rendered services to Tenant undisclosed by Tenant herein. Landlord shall hold Tenant harmless from all damages and indemnify Tenant for all said damages paid or incurred by Tenant resulting from any claims that may be asserted against Tenant by any broker, agent or finder who has, or has claimed to have, rendered services to Landlord undisclosed by Landlord herein.

11. Holding Over. If Tenant remains in possession of the Premises after expiration or earlier termination of this Lease with Landlord's express consent, Tenant's occupancy shall be a month to month tenancy at a rent agreed upon by Landlord and Tenant but, in no event less than the Monthly Basic Rent payable under this Lease during the last full month before the date of expiration or earlier termination. The month to month tenancy shall be on the terms and conditions of this Lease except as provided in the preceding sentence and the Lease clauses concerning extension rights. If Tenant holds over after the expiration or earlier termination of the Term hereof without the express written consent of Landlord, Tenant shall become a tenant at

sufferance only, at a rental rate equal to one hundred fifty percent (150%) of the Monthly Basic Rent which would be applicable to the Premises upon the date of expiration of the Term (prorated on a daily basis), and otherwise subject to the terms, covenants and conditions herein specified, so far as applicable including, without limitation, the obligation to pay Direct Operating Expenses and Common Operating Expenses as provided in Paragraphs 5 and 6.2. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a holdover hereunder or result in a renewal. The foregoing provisions of this Paragraph 11 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises, Tenant shall indemnify and hold Landlord harmless from all loss or liability arising out of such failure, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender. No provision of this Paragraph 11 shall be construed as implied consent by Landlord to any holding over by Tenant. Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon expiration or other termination of this Lease. The provisions of this Paragraph 11 shall not be considered to limit or constitute a waiver of any other rights or remedies of Landlord provided in this Lease or at law; provided, however, that Landlord shall not be entitled to consequential damages except as expressly provided in this Paragraph 11.

12. Taxes on Tenant's Property. Tenant shall be liable for and shall pay before delinquency, taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed value of the Site, the Building, and/or the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, and if Landlord, after ten (10) business days' prior written notice to Tenant, pays the taxes based upon such increased assessments, which Landlord shall have the right to do regardless of the validity thereof, but only under proper protest if requested by Tenant, then, upon demand Tenant shall repay to Landlord the taxes levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment. Notwithstanding the foregoing, at Tenant's sole cost and expense and at no expense or cost to Landlord, Tenant shall have the right, in the name of Landlord and with Landlord's full cooperation, to bring a good faith suit in any court of competent jurisdiction to recover the amount of any such taxes so paid under protest, any amount so recovered to belong to Tenant. For avoidance of doubt, Real Property Taxes will not include any taxes payable by Tenant pursuant to the provisions of this Paragraph 12, or any taxes payable by any other building occupant pursuant to provisions similar to this Paragraph 12.

13. Condition of Premises.

13.1 Other than as expressly stated in this Lease, Tenant acknowledges that neither Landlord nor any of the Landlord Parties have made any representation or warranty of any kind whatsoever with respect to the Site, the Premises and/or the Building or with respect to the suitability of either for the conduct of Tenant's business. Tenant acknowledges and agrees that Tenant is relying solely upon Tenant's own inspection of the Site, the Building and the Premises, and Tenant is not relying on any representation or warranty from the Landlord regarding the Site, the Premises or the Building, except as specifically set forth in this Lease, including, without limitation, any representation or warranty as to the physical condition, design or layout of the

Site, the Building and the Premises. Notwithstanding the foregoing, Landlord expressly represents and warrants that all Building Systems serving the Premises are, or will be as of the Lease Commencement Date, in good working condition and the Premises and Building as delivered by Landlord to Tenant (and after completion by Tenant of the Compliance Work as defined in the Work Letter) shall comply with all applicable laws and regulations, including, without limitation the Americans With Disabilities Act (42 U.S.C. Section 12101 et seq.) ("**ADA**"), and all applicable codes relating to restroom facilities and Landlord at Landlord's sole cost and expense, will be responsible for all work and costs incurred (whether in connection with Tenant's construction of the Tenant Improvements pursuant to the Work Letter or otherwise) to bring the Premises, into compliance with the ADA or Title 24 as enacted and in effect as of the Lease Commencement Date. Subject to the provisions of the Work Letter, the costs incurred by Tenant to bring any portion of the Premises into compliance with any such laws in connection with Tenant's construction of Tenant Improvements, shall be the responsibility of Landlord and Landlord shall reimburse Tenant for any such costs within thirty (30) days following Tenant's delivery to Landlord of a reasonably detailed invoice therefor provided that the obligation of Landlord to reimburse Tenant shall be as more particularly governed by the provisions of the Work Letter. Common Area Operating Expenses will not include any costs incurred by Landlord to bring the Building, or any portion thereof, into compliance with any of the laws or regulations described in the immediately preceding sentence applicable to the Building.

13.2 Landlord hereby<discloses to Tenant pursuant to California Civil Code Sections 55.53 and 1938 that as of the date of this Lease, the Premises and the Building have not been inspected by a Certified Access Specialist.

14. Alterations.

14.1 Other than changes to the roof, the structural portions of the Building and/or structural portions of the Premises, and to the foundation, Tenant may, at any time and from time to time during the Term of this Lease, at its sole cost and expense, make alterations, additions, installations, substitutions, improvements and decorations (hereinafter collectively called "**Changes**" and individually, a "**Change**") in and to the Premises, on the following conditions, provided that such Changes will not result in a violation of applicable laws, codes, regulations, orders or injunctions or require a change in the Certificate of Occupancy applicable to the Premises:

(a) The outside appearance, character or use of the Building shall not be affected, and no Changes shall weaken or impair the structural strength or, in the reasonable opinion of Landlord, materially lessen the value of the Building, the Site, and/or the Premises or create the potential for unusual expenses to be incurred upon the removal of Changes and the restoration of the Premises upon the termination of this Lease.

(b) No part of the Building outside of the Premises shall be physically affected (other than tie-ins to Building Systems pursuant to approved plans),

(c) The proper functioning of any of the mechanical, electrical, sanitary and other service systems or installations of the Building ("**Service Facilities**") shall not be adversely affected, and there shall be no construction which might interfere with Landlord's free access to the Service Facilities or interfere with the moving of Landlord's equipment to or from the enclosures containing the Service Facilities.

(d) In performing the work involved in making such Changes, Tenant shall be bound by and observe all of the conditions and covenants contained in this Paragraph 14, and Tenant shall not unreasonably interfere with or unreasonably disturb any other tenants (of such tenants, invitees, employees, or agents) use and enjoyment of the Site and the Building.

(e) All work shall be done at such times and in such manner as Landlord from time to time may reasonably designate.

(f) Tenant shall not be permitted to install and make part of the Premises any materials, fixtures or articles which are subject to liens, conditional sales contracts or chattel mortgages.

(g) Landlord shall have the right, to be exercised by written notice delivered to Tenant concurrently with Landlord's approval of any Change, to notify Tenant that the Change in question (or a component thereof) shall be required to be removed by Tenant upon date of expiration or sooner termination of this Lease. In such event, Tenant will restore the Premises to their condition prior to the making of the applicable Changes, reasonable wear and tear, and damage for which Tenant is not liable, excepted. If Tenant fails to complete the restoration before expiration of the Term, Landlord may complete the restoration and charge the cost of the restoration to Tenant. Notwithstanding the foregoing, Tenant shall have no obligation to restore the Premises to its condition prior to the construction of the Tenant Improvements contemplated by Paragraph 1.5.

14.2 Before proceeding with any Change (exclusive only of changes to items constituting Tenant's personal property), Tenant shall submit to Landlord plans and specifications for the work to be done, which shall in all cases require Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed. At Tenant's sole cost and expense Landlord may confer with consultants in connection with the review of such plans and specifications. If Landlord or such consultant(s) shall disapprove of any of the Tenant's plans, Tenant shall be advised of the reasons of such disapproval. In any event, Tenant agrees to pay to Landlord, as additional rent, the reasonable out of pocket cost of such consultation and review immediately upon receipt of invoices either from Landlord or such consultant(s). Any Change for which approval has been received shall be performed in accordance with the approved plans and specifications, and no material amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord.

Landlord agrees to endeavor to respond to any request by Tenant for approval of Changes which approval is required hereunder within fifteen (15) business days after delivery of Tenant's written request; Landlord's response shall be in writing and, if Landlord withholds its consent, Landlord shall specify in reasonable detail in Landlord's notice of disapproval, the basis for such disapproval. If Landlord delivers to Tenant notice of Landlord's disapproval of any plans, Tenant may revise Tenant's plans to incorporate the changes suggested by Landlord in Landlord's notice of disapproval, and resubmit its plans to Landlord. Landlord shall not have the right to charge any construction administration or supervision fee in connection with Tenant's

performance of Changes provided that Landlord shall be entitled reimbursement from Tenant for Landlord's third party out of pocket costs incurred in connection with the review by Landlord of any Changes proposed by Tenant.

14.3 Notwithstanding anything to the contrary contained in this Lease, Tenant, without Landlord's prior written consent, shall be permitted to make Cosmetic Alterations, provided that: (a) Tenant shall notify Landlord in writing within thirty (30) days of completion of the Cosmetic Alteration, and (b) Tenant shall upon Landlord's request, remove the Cosmetic Alteration at the termination of the Lease and restore the Leased Premises to their condition prior to such Cosmetic Alteration. As used herein, the term "**Cosmetic Alterations**" shall mean any modification to the Premises not involving any material penetration of any walls of the Premises or any material modifications of the floor (other than carpeting) or ceiling of the Premises and shall include, without limitation, the hanging of paintings or decorative accessories on any interior walls of the Premises, any painting of the interior walls of the Premises as well as the installation or replacement of any carpet or other floor covering in all or any portion of the Premises, and on an aggregate basis in any one year do not cost in excess of Two Hundred Thousand Dollars ($200,000) provided that any installation or replacement of carpeting by Tenant shall not be subject to the Two Hundred Thousand Dollar ($200,000) limitation.

14.4 If the proposed Change requires approval by or notice to the lessor of a superior lease or the holder of a mortgage, Landlord will promptly give Tenant notice of such requirement, and no Change shall be commenced until such approval has been received, or such notice has been given, as the case may be, and all applicable conditions and provisions of said superior lease or mortgage with respect to the proposed Change or alteration have been met or complied with, at Tenant's expense; and Landlord, if it approves the Change, will request such approval or give such notice, as the case may be.

14.5 Tenant shall submit to Landlord the name and address of each contractor intended to be used by Tenant in connection with construction of Changes; Landlord's approval of any contractor shall not be unreasonably withheld, conditioned or delayed. If Landlord does not object to a contractor within ten (10) business days of receipt of Tenant's written notification of the identity of the contractor, Landlord shall be deemed to have approved the contractor. No contractor which is unacceptable to Landlord shall be engaged by Tenant. All costs and expenses incurred in Changes shall be paid by Tenant prior to delinquency. If Landlord approves the construction of specific interior improvements in the Premises by contractors or mechanics selected by Tenant and approved by Landlord, then Tenant's contractors shall obtain on behalf of Tenant and at Tenant's sole cost and expense, (i) all necessary governmental permits and certificates for the commencement and prosecution of Tenant's Changes and for final approval thereof upon completion and (ii) at Landlord's reasonable request with respect to any Change or Changes which exceed $150,000.00 in cost, evidence, as may be reasonably satisfactory to Landlord, that Tenant has sufficient financial capacity to bear the cost of the anticipated Change. In the event Tenant shall request any Changes in the work to be performed after the submission of the plans referred to in this Paragraph 14 (other than de minimis changes which would qualify as "change directives" as opposed to "change orders" in accordance with applicable ALA. standards), such additional Changes shall be subject to the same approvals and notices as the Changes initially submitted by Tenant.

14.6 All Changes and the performance thereof shall at all times comply with (i) all laws, rules, orders, ordinances, directions, regulations and requirements of all governmental authorities, agencies, offices, departments, bureaus and boards having jurisdiction thereof, (ii) all rules, orders, directions, regulations and requirements of the Pacific Fire Rating Bureau, or of any similar insurance body or bodies, and (iii) all commercially reasonable rules and regulations of Landlord of which Landlord has notified Tenant in writing, and Tenant shall cause Changes to be performed in compliance therewith and in good and first class workmanlike manner, using materials and equipment at least equal in quality and class to the installations of the Building. Changes shall be performed in such manner as not to unreasonably interfere with the occupancy of any other tenant in the Building nor delay or impose any additional expense upon Landlord in construction, maintenance or operation of the Building, and shall be performed by Contractors or mechanics approved by Landlord and submitted to Tenant pursuant to this Paragraph, who shall coordinate their work in cooperation with any other work being performed with respect to the Site and/or the Building. Throughout the performance of Changes, Tenant, at its expense, shall carry, or cause to be carried, workers' compensation insurance in statutory limits, and general liability insurance for any occurrence in or about the Building, of which Landlord and its managing agent, whose identity Landlord shall provide to Tenant in writing, shall be named as parties insured, in such limits as Landlord may reasonably prescribe, with insurers reasonably satisfactory to Landlord all in compliance with Paragraph 21.2. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to undertake any alteration or any improvements of any kind whatsoever in connection with the Premises or the Building as a result of or in connection with any Changes being made by Tenant (unless and to the extent that such alteration is necessary as a result of the warranty by Landlord contained in Paragraph 13 above being incorrect in any fashion). Without limitation to the foregoing, except as expressly set forth in the immediately preceding sentence, Landlord shall not be required to make any improvements or alteration of any kind whatsoever in order to comply with any applicable laws, orders, ordinances, regulations or building codes which may be required in connection with Changes being made by Tenant.

14.7 Tenant further covenants and agrees that any mechanic's lien filed against the Premises or against the Building for work claimed to have been done for, or materials claimed to have been furnished to Tenant, will be discharged by Tenant, by bond (pursuant to California Civil Code Section 8424) or otherwise, within thirty (30) days after notice to Tenant of the filing thereof, at the cost and expense of Tenant. All alterations, decorations, additions or improvements upon the Premises, made by either party, including (without limiting the generality of the foregoing) all wall covering, built-in cabinet work, paneling and the like, shall, unless Landlord elects otherwise as described above in Paragraph 14.1(g), become the property of Landlord, and shall remain upon, and be surrendered with the Premises, as a part thereof, at the end of the Term hereof. Notwithstanding the immediately preceding sentence, Landlord may, by written notice given to Tenant at least thirty (30) days prior to the end of the Term, require Tenant to remove all partitions, counters, railings and like installed by Tenant and Tenant shall repair any damage to the Premises arising from such removal. Notwithstanding the immediately preceding sentence, Tenant shall not be required to remove or restore any Changes which Landlord did not require to be removed in accordance with the provisions of Paragraph 14.1(g).

14.8 All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant. Tenant may remove such items at Tenant's sole cost and expense at any time during the Term, and Tenant shall repair any damage caused by such removal. Tenant shall restore and repair all damage to the Premises caused by such removal, and shall otherwise perform such removal in accordance with Landlord's reasonably imposed scheduling and other requirements. If Tenant shall fail to remove all of its effects from said Premises upon termination of this Lease for any cause whatsoever, Landlord may, at its option, remove the same in any manner that Landlord shall choose, and store said effects without liability to Tenant for loss thereof. Tenant agrees to pay Landlord upon demand any and all expenses incurred in such removal, including court costs and attorneys' fees and storage charges on such effects for any length of time that the same shall be in Landlord's possession, or Landlord may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as Landlord may obtain. Landlord shall apply such proceeds of such sale upon any amounts due under this Lease from Tenant to Landlord and upon the expense incident to the removal and sale of said effects.

14.9 Subject to the other provisions of this Lease (including Paragraphs 1.3 and 17), Landlord reserves the right at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs or replacements in or to the Site or the Building (including the Premises if required so to do by any law or regulation) and to the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages and stairways thereof; provided that Landlord shall use commercially reasonable efforts to avoid unreasonable interference with Tenant's access to and use of the Premises. Without limiting the foregoing, Landlord may change the name by which the Building is commonly known, as Landlord may deem necessary or desirable. Nothing contained in this Paragraph 14, shall be deemed to relieve Tenant of any duty, obligation or liability of Tenant with respect to the terms, covenants and conditions of this Lease, to making any repair, replacement or improvement required hereby, or to complying with any law, order or requirement of any government or other authority. Nothing contained in this Paragraph 14 shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision of repair of the Site, the Building and/or the Premises or any part thereof other than as provided in this Lease.

14.10 The construction of the Tenant Improvements pursuant to the provisions of the Work Letter attached to this-Lease as Exhibit B shall be governed by the terms of such Work Letter to the extent inconsistent with the provisions of this Paragraph 14.

14.11 Within thirty (30) days of completion of any Changes (other than for mere decorative Changes), Tenant shall provide Landlord with a set of final "as-built" plans.

14.12 Tenant may, at its own expense, install its own security system (**"Tenant's Security System"**) in the Premises, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; provided, however, that (A) if Tenant's Security System ties into the Building security system, Tenant shall coordinate the installation and operation of Tenant's Security System with Landlord to assure that Tenant's Security System is

compatible with the Building security system and the Building Systems, and (B) to the extent that Tenant's Security System is not compatible with the Building security system or the Building Systems, Tenant shall not be entitled to install or operate it. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation and removal of Tenant's Security System, provided that, notwithstanding the foregoing, Tenant may install any security system it desires that does not require linkage with the Building security system and which does not affect the Building security system and which does not (i) create (a) an adverse effect on the structural integrity of the Building, (b) a non-compliance with any applicable laws, (c) an adverse effect on the Building Systems, (d) an effect on the exterior appearance of the Building, or (e) unreasonable interference with the normal and customary office operations of any other tenant in the Building, or (ii) adversely affect Landlord's ability to operate the Building. Tenant shall provide Landlord with any information reasonably required regarding Tenant's Security System in the event access to the Premises is necessary in an emergency. Upon the expiration or earlier termination of the Term, at Landlord's option, the Tenant's Security System shall become the property of Landlord and be surrendered to Landlord with the Premises. In furtherance of the same, Landlord shall have the right to require Tenant to convey the Tenant's Security System to Landlord free of all liens at the end of the Term, at no cost to Landlord, pursuant to a commercially reasonable form of bill of sale or other conveyance agreement to be executed by Tenant. Further, at the expiration or early termination of this Lease, Landlord shall be entitled to require that Tenant remove Tenant's Security System from the Building at its cost and repair any and all damage resulting from any such removal.

15. Repairs and Maintenance.

15.1 Tenant acknowledges that Landlord shall be responsible for repairing and maintaining, in first-class condition and repair, the Building and all components and systems which are a part of or serve the Building, and the corresponding costs of maintenance and repairs shall be included as part of the Direct Operating Expenses or Common Operating Expenses, as the case may be, paid by Tenant: pursuant to, and subject to the limitations contained in, Paragraph 5 or Paragraph 6 as the case maybe. Tenant shall upon the expiration or sooner termination of the Term surrender the Premises to Landlord in good condition, reasonable wear and tear and items for which Landlord bears sole responsibility for the cost of repair and maintenance excepted. Landlord shall have no obligation to alter, remodel, improve, decorate or paint the Premises or any part thereof in anticipation of Tenant's occupancy of the Premises (except as may be necessary in order for Landlord to be in compliance with the warranty set forth in Paragraph 13 above and as otherwise provided in the Work Letter and this Lease), and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises except as specifically set forth in this Lease. "**Building Systems**" shall mean any plant, machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply heat, ventilation, air conditioning and humidity, life-safety or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment which serve the Building in whole or in part.

15.2 Landlord shall repair and maintain in first-class condition and repair and in compliance with all laws the structural components of the Building and Premises (consisting of

the exterior and other load bearing walls, footings, columns, structural floors and foundations). The cost of any and all such repairs shall be included as part of the Direct Operating Expenses or Common Operating Expenses, as the case may be, and paid by Tenant pursuant to and subject to the limitations contained in, Paragraph 5 or Paragraph 6 as the case may be. Landlord shall not be liable for any failure to make any repairs, or to perform any maintenance, required of Landlord unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. There shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives the provisions of California Civil Code Sections 1932(1), 1941 and 1942 and of any similar law, statute or ordinance now or hereafter in effect. Landlord expressly reserves the right to access the Premises and all parts of the Building as required to perform its maintenance obligations hereunder. Notwithstanding any of the provisions of this Lease to the contrary, if Tenant provides notice (or which maybe telephonic to the Building's property management office in the event of an Emergency, defined below) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance of the Building, including the Building structure and/or Building Systems, which event or circumstance with respect to the Building structure or Building Systems materially and adversely affects the conduct of Tenant's business from the Premises (or any material portion), and Landlord fails to commence corrective action not later than five (5) business days after receipt of such notice, then Tenant may proceed to take the required action upon delivery of an additional one (1) business day's notice to Landlord specifying that Tenant is taking such required action (provided, however, that the initial five (5) business day notice and the subsequent one (1) business day notice shall not be required in the event of an Emergency), and if such action is not commenced by Landlord within such one(l) business day period and thereafter diligently pursued to completion, then Tenant shall be entitled to take such action in the manner described below and shall be further entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at the Interest Rate (hereinafter defined). If Tenant takes any such action, Tenant shall use only those contractors used by Landlord in the Building for work unless such contractors are unwilling or unable to perform, or timely perform such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in Comparable Buildings. Promptly following completion of any work taken by Tenant pursuant to this Paragraph 15.2, Tenant shall deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. If Landlord delivers to Tenant, within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Landlord and Tenant shall thereafter attempt to resolve the dispute regarding such charges and in the event of a failure to achieve resolution Tenant may proceed to file a claim against Landlord. If Tenant prevails in such claim, the amount of the award shall include interest at the Interest Rate from the time of each expenditure by Tenant until the date Tenant receives such amount by payment or offset and reasonable attorneys' fees and related costs. For purposes of this Paragraph 15.2, an **"Emergency"** shall mean an event threatening immediate and material danger to people located in the Building or

immediate, material damage to the Building, Building Systems, Building structure, Premises, or creates a realistic possibility of an immediate and material interference with, or immediate and material interruption of a material aspect of Tenant's business operations.

16. Liens. Tenant shall not permit any mechanic's, material men's or other liens to be filed against the real property of which the Site, the Building, and/or the Premises form a part, nor against the Tenant's leasehold interest in the Premises. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. Notwithstanding any other provision in this Lease to the contrary, if any such liens are filed, and the same are not removed by Tenant within thirty (30) days after notice to Tenant of such filing, Landlord may, without waiving its rights and remedies based on such breach of Tenant and without releasing Tenant from any of its obligations, upon notice to Tenant, cause such liens to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. Thereafter Tenant shall promptly pay to Landlord, upon notice by Landlord, any sum paid by Landlord to remove such liens, together with interest at the lesser of 10% or the maximum rate per annum permitted by law from the date of such payment by Landlord.

17. Entry by Landlord. Subject to limitations described in the last paragraph of Paragraph 1.3 and this Paragraph 17 below, Landlord reserves and shall at any and all reasonable times and upon reasonable prior notice to Tenant of not less than twenty four (24) hours (except in the case of emergency) have the right to enter the Premises to inspect the same, to supply any service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or mortgagors/lenders or, to post notices of non-responsibility, to alter, improve or repair the Premises or any other portion of the Building, to show the Premises during the last twelve (12) months of the Term of this Lease to prospective tenants, all without being deemed guilty of any eviction of Tenant and without abatement of rent except as expressly set forth below in this Paragraph 17. In order to carry out such purposes, Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, provided that the business of Tenant shall be interfered with as little as is reasonably practicable. Notwithstanding anything to the contrary set forth in this Paragraph 17, Tenant may designate in writing certain reasonable areas of the Premises as "**Secured Areas**" should Tenant require such areas for the purpose of securing certain valuable property or confidential information. In connection with the foregoing, Landlord shall not enter such Secured Areas except in the event of an emergency. Landlord need not clean any area designated by Tenant as a Secured Area and shall only maintain or repair such Secured Areas to the extent (i) such repair or maintenance is required in order to maintain and repair the Building; (ii) as required by applicable law, or (iii) in response to specific requests by Tenant and in accordance with a schedule reasonably designated by Tenant, subject to Landlord's reasonable approval. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby except as expressly set forth herein. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises (excluding Tenant's vaults and safes), and Landlord shall have the means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any of said means shall not, under any circumstances, be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an

eviction of Tenant from the Premises or any portion thereof. It is understood and agreed that no provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed herein to be performed by Landlord. In the event that Tenant is prevented from using, and does not use, the Premises or any material portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform or commence to perform after at least three (3) business days' prior written notice by Tenant to Landlord identifying such failure, which substantially interferes with Tenant's use of or ingress to or egress from the Building or Premises and is not necessitated by Tenant's breach or Default hereunder or performed in such manner at the Tenant's express request; (ii) any failure to provide services, utilities or ingress to and egress from the Building or Premises if such failure is attributable solely to the act or omission of Landlord (or Landlord's agents, employees or contractors) or to Landlord's failure to perform its maintenance obligations set forth herein as specifically identified in a written notice given by Tenant to Landlord; or (iii) the presence of Hazardous Materials due to the acts or omissions of Landlord or Landlord's agents, employees or contractors (any such set of circumstances as set forth in items (i) through (iii), above, to be known as an **"Abatement Event"**), then if such Abatement Event continues for five (5) consecutive business days (the **"Eligibility Period"**), then the rent payable hereunder shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises, or any material portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. If Tenant's right to abatement occurs during a free rent period, Tenant's free rent period shall be extended for the number of days that the abatement period overlapped the free rent period (**"Overlap Period"**).

18. Utilities and Services. Landlord agrees during the period from and after the Early Access Date and thereafter during the Lease Term to furnish to the Premises Monday through Friday from 7:00 a.m. through 7:00 p.m., holidays excepted, (unless otherwise stated below),

(a) electric current for normal lighting and fractional horsepower office machines, electricity in an amount not less than 1.0 watts per rentable square foot for lighting and 5.0 watts per rentable square foot for convenience power,

(b) hot and cold water for lavatory, kitchen/pantry and drinking purposes,

(c) elevator service by non-attended automatic elevators,

(d) regular refuse removal,

(e) HVAC service sufficient to maintain comfortable temperatures throughout the Premises (i.e., no higher than 75° Fahrenheit with 50% relative humidity in the summer, and no lower than 72° Fahrenheit in the winter with 45% relative humidity) and

(f) washing of all exterior windows at least three (3) times per calendar year (collectively, **"Base Building Services"**).

Landlord shall have no responsibility to provide cabling or equipment to allow Tenant to obtain telecommunications and network connectivity and Landlord agrees that Tenant may select

its own vendors and providers of telecommunications and network connectivity service. Landlord shall allow such providers to install their own cabling, conduits and equipment in the Building and Premises subject to Landlord's prior approval of the specific plans and specifications therefor in accordance with Exhibit B or if after the completion of the Tenant Improvements Paragraph 14 above. Subject to Landlord's rules, regulations, and restrictions and the terms of this Lease and applicable laws, Landlord shall permit Tenant, at no additional charge to Tenant, to utilize Tenant's Share of the existing Building risers, raceways, and shafts available for use by the tenants and occupants of the Building to the extent (i) there is available space in the Building risers, raceways, and/or shafts for Tenant's use, which availability shall be determined by Landlord in Landlord's reasonable discretion, and (ii) Tenant's requirements are consistent with the requirements of a typical general office user. The electrical services, and water (and sewer) provided to the Premises shall be separately metered to measure the consumption of electricity and water within the Premises, with Landlord to install all such meters at its expense as soon as reasonably practicable following the Early Access Date to the extent such meters are not in place as of such date. Tenant shall pay Landlord directly as part of the Direct Operating Expenses for all utilities consumed within the Premises, as measured by such separate meters. Landlord shall provide janitorial services to Tenant with respect to the Premises in accordance with the Specifications attached hereto as Exhibit D and the charge for such services shall be included as a portion of the Direct Operating Expenses or in the alternative, Tenant shall be entitled to engage a third party vendor to provide janitorial services for the Premises and in such event Tenant shall timely pay any and all costs of such third party vendor, Tenant shall directly contract for any and all security services with respect to the Premises and the cost of such services shall be paid directly by Tenant. Except as expressly set forth hereby, Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of rent by reason of Landlord's failure to furnish any of the Base Building Services when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character/or for other causes beyond Landlord's reasonable control. Landlord's cost of providing such utility services shall be part of Direct Operating Expenses, Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future law, ordinance or governmental regulation permitting the termination of this Lease due to the interruption or failure of or inability to provide any services required to be provided by Landlord hereunder. In the event Tenant requires heat and/or air conditioning outside of the business hours specified above, Tenant shall pay to Landlord as additional rent the sum of Eighty-Five Dollars ($85.00) per hour per zone, for each hour of occupancy outside of the business hours specified above. Landlord represents and warrants that the Premises includes thermostats and Building management system automated controls for the HVAC service within the Premises, and that Tenant may control the temperatures maintained within the Premises during normal business hours. All charges levied against Tenant for utility and janitorial (if applicable) services together with charges for any and all Base Building Services shall be paid by Tenant to Landlord as reimbursement for any and all such costs and in accordance with the provisions of Paragraph 6.2and 6.3 above in a manner consistent with reimbursement to Landlord of Tenant's Share of Common Operating Expenses. Any incandescent light bulbs used in the Premises shall be paid for by the Tenant. Upon Tenant's request, Landlord's personnel shall install incandescent light bulbs or other Building nonstandard bulbs in the Premises. Tenant agrees to pay Landlord upon demand Landlord's cost for the maintenance and/or replacement, as applicable, of all such incandescent light bulbs installed or

other Building nonstandard improvements; provided, that Landlord shall not be responsible in any manner for said maintenance, cleaning and repair. Landlord shall provide Tenant access to the Premises on a twenty-four (24) hour per day, seven (7) days per week basis, subject to events beyond Landlord's reasonable control.

19. Indemnification.

19.1 To the fullest extent permitted bylaw, but subject to Paragraph 21.6 and except to the extent caused by the negligence or misconduct of Landlord or its agents, contractors, employees or invitees, or by Landlord's breach of this Lease, Tenant hereby agrees to defend, indemnify, protect and hold Landlord and Landlord Parties harmless against and from any and all loss, cost, damage or liability arising in whole or in part from (i) Tenant's use of the Site, the Building, and/or the Premises, (ii) the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant, its agents, contractors, employees or invitees in or about the Site, the Building, and/or the Premises arising from any act, neglect, fault or omission of Tenant, or of its agents, employees or invitees, and (iii) from and against all costs, attorneys' fees, expenses and liabilities incurred for such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against Landlord and/or any of the Landlord Parties by reason of any such claim, Tenant upon notice from Landlord hereby agrees to defend Landlord and the Landlord Parties at Tenant's expense by counsel approved in writing by Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Site, the Building, and/or the Premises from any cause whatsoever except that which is caused by Landlord's or its agents, contractors, employees or invitees, negligence or intentional misconduct or breach of this Lease, and Tenant hereby waives all its claims in respect thereof against Landlord.

19.2 To the fullest extent permitted by law, but subject to Paragraph 21.6, Landlord hereby agrees to defend, indemnify, protect and hold Tenant harmless against and from any and all loss, cost, damage or liability suffered by Tenant arising in whole or in part from the negligence (to the extent not covered by liability insurance carried by Tenant pursuant to this Lease) or misconduct of Landlord or its agents, contractors, employees or invitees in or about the Site, the Building, and/or the Premises, including without limitation any liability or injury to the person or property of Tenant, its officers, directors, partners, employees, agents, invitees or guests. In case any action or proceeding is brought against Tenant by reason of any such claim, Landlord upon notice from Tenant hereby agrees to defend Tenant at Landlord's expense by counsel approved in writing by Tenant (provided, that any counsel appointed by an insurance carrier shall be deemed acceptable to Tenant). Nothing herein shall relieve Tenant of liability for its own willful acts or negligence.

20. Damage to Tenant's Property. Notwithstanding the provisions of Paragraph 19 to the contrary, except to the extent caused by the negligence (to the extent not covered by liability insurance carried by Tenant pursuant to this Lease) or misconduct of Landlord or its agents, contractors, employees or invitees, or Landlord's breach of this Lease, Landlord and each of the Landlord Parties shall not be liable for any damage to property entrusted to employees of the Building, or for loss of or damage to any property by theft or otherwise, or for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building (including, but not limited

to, the Premises) or from the pipes, appliances or plumbing works therein or from the roof, street or sub-surface or from any other place or resulting from dampness or any other patent or latent cause whatsoever. Landlord and each of the Landlord Parties shall not be liable for interference with the light, air, view or intangible characteristics or qualities of the Premises; provided, however, that Landlord agrees not to voluntarily construct any improvements or other structures which would materially interfere with the light, air, the view available at the Premises, unless such construction is required by applicable law. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects known to Tenant therein or in the fixtures or equipment located therein. Notwithstanding any provision of Paragraph 19 to the contrary, (i) neither Landlord nor any partner, director, officer, member, agent, servant or employee of Landlord shall be liable: for any such damage caused by other tenants or persons in, upon or about the Building, or caused by operations in the construction of any private, public or quasi-public work (the limitations of liability set forth in this clause (i) shall not apply to any damage or liability caused by the negligence (to the extent not covered by liability insurance carried by Tenant pursuant to this Lease) or intentional misconduct of Landlord Parties); and (ii) neither party hereto shall be liable to the other for consequential damages, including lost profits, of the other party or any person claiming through or under the other party (except, in the case of Tenant's liability, as described in Paragraph 11 above).

21. Insurance.

21.1 During the Term hereof, Tenant, at its sole expense, shall obtain and keep in force the following insurance:

(a) Commercial general liability ("**CGL**") insurance designating Landlord as an additional insured against claims for bodily injury and property damage occurring in, or about the Premises (including without limitation damage or injury to vehicles or persons in the parking lot located on the Site) arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than Three Million Dollars ($3,000,000) per occurrence with a Five Million Dollar ($5,000,000) aggregate limit (such limits maybe achieved by a combination of primary and umbrella coverages). Such liability insurance shall be primary and not contributing to any insurance available to Landlord and any insurance maintained by Landlord shall be excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Tenant under this Lease.

(b) Personal property insurance insuring all equipment, trade fixtures, inventory, fixtures and personal property located on or in the Premises for perils covered by the causes of loss - special form (all risk) and in addition, boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to the full replacement value of the aggregate of the foregoing less any applicable deductible.

(c) Workers' compensation insurance in accordance with statutory law.

(d) Loss of income and extra expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises as result of such perils.

21.2 The policies required to be maintained by Tenant hereunder shall be with companies rated A-VIII or better in the most current issue of Best's Insurance Reports. Insurers shall be authorized to do business in the State of California and domiciled in the USA. Any deductible amount under any insurance policies required hereunder shall not exceed Fifty Thousand Dollars ($50,000) without Landlord's prior written consent, which consent will not be unreasonably withheld. Certificates of insurance shall be delivered to Landlord prior to the Tenant's entry onto the Premises to fixturize the Premises and annually thereafter at least ten (10) days prior to the expiration date of the old policy. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in either or both a blanket or umbrella policy, provided such blanket or umbrella policy expressly affords coverage to the Premises and to Landlord as required by this Lease. Each policy of insurance, to the extent consistent with insurance industry practices for the type of insurance, shall provide that Landlord (and any mortgagee) are additional insureds and shall provide notification to Landlord at least thirty (30) days prior to any cancellation or modification to reduce the insurance coverage; Landlord expressly acknowledges that, as of the Effective Date, a majority of insurers are not willing to provide notice to third parties (including landlords) of cancellation or modification or insurance coverage as described in this sentence, and agrees that for so long as Tenant's insurer(s) is unwilling to provide such notice, Tenant shall be obligated to promptly provide such notice to Landlord upon receipt of any such notice by Tenant from Tenant's insurer(s),

21.3 Landlord shall maintain:

(a) fire and casualty insurance, with loss payable to Landlord and to any Mortgagee, insuring against loss or damage to the Building. The amount of such insurance shall be equal to the estimated replacement cost of the Building (as the same may increase during the Term), exclusive of foundations, as the same shall exist from time to time, but in no event more than the commercially reasonable and available insurable value thereof if, by reason of the unique nature or age of the improvements involved, such latter amount is less than full replacement cost. Landlord's policy shall contain at least twelve (12) months of "rental income loss" coverage payable in instances in which Tenant is entitled to rent abatement hereunder, and shall include (i) an "extended coverage" endorsement, (ii) a "building laws" and/or "law and ordinance" coverage endorsement that covers "costs of demolition," "increased costs of construction" due to changes unbuilding codes and "contingent liability" with respect to undamaged portions of the Building, and (iii) an "earthquake sprinkler leakage" endorsement, with each such endorsement to be of a kind required by Landlord to assist Landlord in funding its obligations under this Lease to repair and restore the Building;

(b) CGL insurance against claims for bodily injury and property damage occurring in or about the Building in amounts as shall from time to time be carried by owners and operators of Comparable Buildings, but in no event less than Five Million Dollars ($5,000,000) with respect to bodily injury, personal injury or death to any one person and no less than Five Million Dollars ($5,000,000) for each accident with respect to property damage (including both primary and excess coverage), with a commercially reasonable deductible.

Tenant shall reimburse Landlord for Tenant's Share of the premiums for fire and casualty, and liability insurance (subject to proration to the extent the premium covers a period

prior or subsequent to the Term) as part of the Common Operating Expenses to be paid by Tenant. The insurance required by this Paragraph shall, in addition, include coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the Premises required to be demolished, and shall also contain an agreed valuation provision in lieu of any coinsurance clause and waiver of subrogation. If such insurance coverage has a deductible clause, then Common Operating Expenses shall include the full deductible amount; provided, however, that such deductible amount is reasonably commensurate with the levels of deductibles then being maintained by owners of Comparable Buildings and further provided that the deductible amount included in Common Operating Expenses shall be prorated as provided Paragraph 6.2. Landlord shall not be required to insure against any damage caused by flood, terrorism, mold or environmental contamination.

21.4 Tenant will not knowingly keep, use, sell, or offer for sale in, or upon, the Premises any article which may be prohibited by any insurance policy periodically in force covering the Premises. If Tenant's occupancy or business in, or on, the Premises, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance required or actually carried by Tenant and/or Landlord with respect to the Premises, Tenant shall pay any such increase in premiums as additional rent. In determining whether increased premiums are a result of Tenant's use of the Premises, a schedule issued by the organization computing the insurance rate on the Premises showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or any present or future insurer relating to the Premises.

21.5 If any insurance policy required to be maintained by Tenant shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the specific use of the Premises or any part thereof by Tenant or any assignee or sub-tenant of Tenant or by anyone Tenant permits on the Premises and, if Tenant fails to remedy the condition giving rise to such cancellation, threatened cancellation, reduction of coverage, threatened reduction of coverage, increase in premiums, or threatened increase in premiums, within five (5) business days after written notice thereof, Landlord may, at its option, enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay all costs thereof to Landlord as additional rent. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located on the Premises resulting from such entry. If Landlord is unable, or elects not, to remedy such condition, then Landlord shall have all of the remedies provided for in this Lease in the event of a Default by Tenant.

21.6 Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss of, or damage to, either parties' property, to the extent that such loss or damage is insured by an insurance policy required to be in effect at the time of such loss or damage or is otherwise actually insured by an insurance policy maintained by the waiving party. Each party shall obtain any special endorsements, if required by its insurer whereby the insurer waives its rights of subrogation against the other party.

21.7 In the event Tenant does not purchase the insurance required by this Lease or keep the same in full force and effect, Landlord may, but shall not be obligated to, upon notice to Tenant, purchase the necessary insurance and pay the premium. The Tenant shall repay to Landlord, as additional rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as additional rent, any and all reasonable expense (including attorneys' fees) and damages which Landlord may sustain by reason of the failure to Tenant to obtain and maintain such insurance.

22. Damage or Destruction.

22.1 In the event of any casualty damage which affects the Premises or the Building outside the boundaries of the Premises, Landlord will, within sixty (60) days following the date of the damage, deliver to Tenant an estimate of the time necessary to repair the damage in question such that the Premises may be used by and accessible to Tenant and the Building and Common Areas operable as a first-class office building; such notice will be based upon the review and opinions of Landlord's architect and contractor ("**Landlord's Repair Notice**")**.** If the damage is covered under insurance pursuant to the provisions of the foregoing Paragraph 21 (or any other insurance Landlord may then be carrying), Landlord shall restore such damage provided that: (i) the insurance proceeds, plus the amount of any deductible (the payment of which shall be Tenant's responsibility), are sufficient to pay all of the cost of restoration without the necessity of Landlord paying any additional cost of such repairs; and (ii) in the reasonable judgment of Landlord, the restoration can be completed within two hundred seventy (270) days after the date of the damage or casualty under the laws and regulations of the state, federal, county and municipal authorities having jurisdiction. If such conditions apply so as to require Landlord to restore such damage pursuant to this Paragraph, this Lease shall continue in full force and effect, subject to Tenant's rights as described below, unless otherwise agreed to in writing by Landlord and Tenant. Tenant shall be entitled to a proportionate reduction of Monthly Basic Rent at all times during which Tenant's use of the Premises is interrupted, such proportionate reduction to be based on the extent to which the damage and restoration efforts actually interfere with Tenant's access to or use of business in the Premises (which Landlord expressly acknowledges may be a circumstance in which the Premises are not damaged but the Building Systems are substantially damaged so as to render the Premises unusable or inaccessible to Tenant). Tenant's right to a reduction of rent hereunder shall be Tenant's sole and exclusive remedy in connection with any such damage.

22.2 In the event that the Building is damaged by a casualty, and Landlord is not required to restore such damage in accordance with the provisions of the immediately preceding Paragraph, Landlord shall have the option to either (i) repair or restore such damage, with the Lease continuing in full force and effect (subject to Tenant's rights as described below), but Monthly Basic Rent to be proportionately abated as provided above; or (ii) give notice to Tenant at any time within forty-five (45) days after the occurrence of such damage terminating this Lease as of a date to be specified in such notice which date shall not be less than thirty (30) nor more than sixty (60) days after the date on which such notice of termination is given. In the event of the giving of such notice of termination, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date so specified in such notice and the Monthly Basic Rent, reduced by any proportionate reduction in Monthly Basic Rent as provided for above, shall be paid to the date of such termination. Notwithstanding the foregoing, if Landlord elects to

terminate this Lease pursuant to this Paragraph, if within thirty (30) days after receipt of Landlord's notice Tenant elects to provide the funds necessary to make up the shortage (or absence) of insurance proceeds and provides Landlord with reasonable assurance thereof, Landlord shall restore the Building as provided in this Paragraph provided that the Building is reasonably subject to restoration within one hundred eighty (180) days following the date on which the casualty occurs.

22.3 If the Premises are damaged by fire or other casualty and are rendered not reasonably usable for Tenant's business purposes thereby, or if the Building shall be so damaged that Tenant shall be deprived of reasonable access to the Premises, and if, pursuant to Landlord's Repair Notice, the restoration shall not be substantially completed on or before the date which is nine (9) months following the date of such damage or destruction, Tenant shall have the right to terminate this Lease by giving written notice (the "**Termination Notice**") to Landlord not later than thirty (30) days following receipt of Landlord's Repair Notice. If Tenant gives a Termination Notice, this Lease shall be deemed cancelled and terminated as of the date of the damage, and Rent shall be apportioned and shall be paid or refunded, as the case may be up to and including the date of such damage or destruction. Notwithstanding the foregoing, if Tenant was entitled to but elected not to exercise its right to terminate this Lease and Landlord does not substantially complete the repair and restoration of the Premises within two (2) months after the expiration of the estimated period of time set forth in Landlord's Repair Notice, which period shall be extended to the extent of any delays caused by Tenant, then Tenant may terminate this Lease by written notice to Landlord within thirty (30) days after the expiration of such period, as the same may be so extended.

22.4 Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease if the Building is damaged by fire or other casualty (and the reasonably estimated cost of restoration of the Building exceeds twenty percent (20%) of the then replacement value of the Building) and such damage or casualty occurs during the last twelve (12) months of the Term of this Lease (or the Term of the Extended Term, if applicable) by giving the other written notice thereof at any time within thirty (30) days following the occurrence of such damage or casualty. Such notice shall specify the date of such termination, which date shall not be less than thirty (30) nor more than sixty (60) days following the date on which such notice of termination is given. In the event of the giving of such notice of termination, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date so specified in such notice and the Rent shall be paid to the date of such termination. Notwithstanding the foregoing to the contrary, Landlord shall not have the right to terminate this Lease if damage or casualty occurs during the last twelve (12) months of the Term if Tenant timely exercises the Extension Option within twenty (20) days after the date of such damage or casualty.

22.5 Upon any termination of this Lease under any of the provisions of this Paragraph, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord, except for (i) items which have already accrued and are then unpaid by either Tenant or Landlord under the Lease, (ii) any prepaid (and unearned) Monthly Basic Rent or unused security deposit amounts, and (iii) any amount owed by either Tenant or Landlord to the other under the Work Letter.

22.6 In connection with Landlord's performance of its obligation to rebuild, Tenant will not unreasonably withhold, delay or defer its consent to modifications to the Tenant Improvements or the Building proposed by Landlord, provided that such modifications do not increase the obligations of Tenant hereunder or adversely affect Tenant's use of the Premises. The repair and restoration of Tenant's personal property and trade fixtures, shall be the obligation of Tenant.

22.7 Tenant hereby waives California Civil Code Sections 1932(2) and 1933(4), providing for termination of hiring upon destruction of the thing hired and Sections 1941 and 1942, providing for repairs to and of premises.

23. Eminent Domain.

23.1 In case the whole of the Premises, or such part thereof as shall substantially interfere with Tenant's use and occupancy thereof, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking (provided that Tenant may present a separate claim for Tenant's relocation costs and lost personal property, so long as such claim does not diminish any award otherwise available to Landlord), and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. In the event the amount of property or the type of estate taken shall not substantially interfere with the conduct of Tenant's business, Landlord shall be entitled to the entire amount of the award without deduction for any estate or interest of Tenant. If this Lease is not so terminated, Landlord shall promptly proceed to restore the Premises to substantially their same condition prior to such partial taking, and a proportionate allowance shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which, Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Paragraph shall be deemed to give Landlord any interest in any award separately made to Tenant for the taking of personal property and trade fixtures belonging to Tenant or for moving costs incurred by Tenant in relocating Tenant's business. Landlord and Tenant hereby agree that if Landlord is obligated to repair or restore the Premises pursuant to this Paragraph 23.1, Landlord shall be obligated to make such repairs or restoration only of those portions of the Premises which were originally provided at Landlord's expense (including the Tenant Improvements) and only to the extent of any award amount received by Landlord.

23.2 In the event of taking of the Premises or any part thereof for temporary use, (i) this Lease shall be and remain unaffected thereby and rent shall not abate, and (ii) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Term, provided that if such taking shall remain in force at the expiration or earlier termination of this Lease, Tenant shall then pay to Landlord a sum equal to the reasonable cost of performing Tenant's obligations under Paragraph 32 with respect to surrender of the Premises and upon such payment shall be excused from such obligations. For purpose of this Paragraph 23.2, a temporary taking shall be defined as a taking for a period of 270 days or less.

23.3 Landlord and Tenant each hereby waive the provisions of California Code of Civil Procedure Section 1265.130 and any other applicable existing or future law, ordinance or governmental regulation providing for, or allowing either party to petition the courts of the state of California for, a termination of this Lease upon a partial taking of the Premises and/or the Building.

24. Bankruptcy. If Tenant shall file a petition in bankruptcy under any chapter of federal bankruptcy law as then in effect, or if Tenant be adjudicated a bankrupt in involuntary bankruptcy proceedings and such adjudication shall not have been vacated within ninety (90) days from the date thereof, or if a receiver or trustee be appointed of Tenant's property and the order appointing such receiver or trustee not be set aside or vacated within ninety (90) days after the entry thereof, or if Tenant shall assign Tenant's estate or effects for the benefit of creditors, or if this Lease shall otherwise by operation of law pass to any person or persons other than Tenant, then in any such event Landlord may, if Landlord so elects, with or without notice of such election and with or without entry or action by Landlord, forthwith terminate this Lease. Notwithstanding any other provisions of this Lease, Landlord, in addition to any and all rights and remedies allowed by law or equity, shall upon such termination be entitled to recover damages in the amount provided in Paragraph 25.2 below. In the event of such termination, neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or order of any court shall be entitled to possession of the Premises, and Tenant shall forthwith quit and surrender the Premises to Landlord. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as damages by reason of any such termination an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of damages recoverable under the provisions of this Paragraph 24.

25. Defaults and Remedies.

25.1 The occurrence of any one or more of the following events shall constitute a Default hereunder by Tenant:

(a) The abandonment of the Premises by Tenant, as provided by the California Civil Code.

(b) The failure of Tenant to make any payment of Monthly Basic Rent or Common Operating Expenses or Direct Operating Expenses to be made by Tenant hereunder within three (3) business days following notice from Landlord that the same is past due.

(c) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder other than Monthly Basic Rent, Common Operating Expenses or Direct Operating Expenses as and when due, where such failure continues for a period of five (5) days after written notice thereof from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure 1161.

(d) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in Paragraph 25.1(b) or 25.1(c) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure 1161; provided, further, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently and without interruption prosecute such cure to completion following the written notice from Landlord pursuant to this Paragraph.

(e) (1) The making by Tenant of any general assignment for the benefit of creditors; (2) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days); (3) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within ninety (90) days; or (4) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within ninety (90) days.

25.2 In the event of any such Default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder. Upon such termination of Tenant's right to possession of the Premises, this Lease shall terminate and Landlord shall be entitled to recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future law, ordinance or regulation providing for recovery of damages for such breach (but not consequential damages except as provided in Civil Code Section 1951.2), including but not limited to the following:

(a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

As used in Paragraphs 25.2(a) and 25.2(b) above, the "worth at the time of award" is computed by allowing interest at the maximum rate permitted by law per annum. As used in

Paragraph 25.2(c) above, the worth at the time of awards is computed by discounting to present value at the time of the award such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

25.3 If a Default exists under this Lease, Landlord may exercise its rights under California Civil Code Section 1951.4 and may continue this Lease in effect after Tenant has breached this Lease and abandoned the Premises and Landlord may recover rent as it becomes due; provided, however that Tenant has the right to sublet or assign tins Lease, subject to reasonable limitations. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

25.4 During the continuance of a Default, Landlord may enter the Premises without terminating this Lease and remove all of Tenant's personal property, and any of Tenant's trade fixtures from the Premises and store them at Tenant's risk and expense. If Landlord removes such property from the Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of such removal and storage after written demand therefor and/or to pay any rent then due, then after the property has been stored for a period of thirty (30) days or more Landlord may sell such property at public or private sale, in the manner and at such times and places as Landlord deems commercially reasonable Landlord shall provide reasonable notice to Tenant of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, and for attorneys' fees and other legal expenses incurred by Landlord in connection therewith; and the balance shall be applied to any past due amount owing hereunder. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of the Premises or removing and storing Tenant's personal property pursuant to this Paragraph 25, except to the extent the same arise out of the gross negligence or willful misconduct of Landlord or Landlord's employees or contractors and Tenant shall hold Landlord harmless from and against any loss, cost or damages resulting from any such act. No re-entry by Landlord shall constitute or be construed to be a forcible entry by Landlord.

25.5 All rights, options' and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any Default of Tenant hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord to take any action on account of such Default if such Default persists or is repeated, and no express waiver shall affect Defaults other than as specified in said waiver. The consent or approval or Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

25.6 Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after notice by Tenant to Landlord specifying the nature of the obligation Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord

commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have the right based upon a default of Landlord to terminate this Lease or to withhold, offset or abate rent. Tenant's sole recourse for Landlord's default being an action for damages against Landlord arising out of Landlord's default and/or for injunctive relief or declaratory judgment. Tenant shall not have the right to terminate this Lease or to withhold, offset or abate the payment of rent based upon the unreasonable or arbitrary withholding by Landlord of its consent or approval of any matter requiring Landlord's consent or approval, including, but not limited to, any proposed assignment or subletting, Tenant's remedies in such instance being limited to a declaratory relief action, specific performance, injunctive relief or an action for actual damages. Tenant shall not in any case be entitled to any consequential (including lost profits) or punitive damages based upon any Landlord default or withholding of consent or approval. Notwithstanding anything to the contrary contained in this Lease, Tenant agrees and understands that Tenant shall look solely to the estate and property of Landlord in the Building (which shall be deemed to include the rental income at the Building, the proceeds of any sale of all or any portion of the Building by Landlord as well as any insurance or condemnation proceeds), for the enforcement of any judgment (or other judicial decree) requiring the payment of money by Landlord to Tenant by reason of any default or breach by Landlord in the performance of its obligations under this Lease, it being intended hereby that no other assets of Landlord or any of Landlord's affiliates shall be subject to levy, execution, attachment or any other legal process for the enforcement or satisfaction of the remedies pursued by Tenant in the event of such default or breach.

26. Assignment and Subletting. Except in connection with a "**Permitted Transfer**" or a "**Desk License**" (as each term is defined below) Tenant shall not voluntarily assign, hypothecate or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, (each a "**Transfer**"), without first obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any Transfer without Landlord's prior written consent shall be voidable, at Landlord's election, and shall constitute a Default if not rescinded within five (5) business days following notice from Landlord. No consent to any Transfer shall constitute a further waiver of the provisions of this Paragraph. No later than thirty (30) days prior to the effective date of a proposed Transfer other than a Permitted Transfer, Tenant shall notify Landlord in writing of Tenant's intent to Transfer ("**Transfer Notice**"), the name of any proposed assignee or sublessee, information concerning the financial responsibility of the proposed assignee or sublessee and the terms of the proposed Transfer, and Landlord shall, within thirty (30) days of receipt of such written notice as well as any additional information reasonably requested by Landlord concerning any proposed assignee's or sublessee's financial responsibility, elect one of the following:

(a) Consent to such proposed Transfer;

(b) Refuse such consent, which refusal shall be on reasonable grounds, including but not limited to those matters set forth herein below;

(c) If Landlord fails to timely deliver to Tenant notice of Landlord's consent, or the withholding of consent, to a proposed Transfer, Tenant may send a second (2nd) notice to Landlord, which notice must contain the following inscription, in bold faced lettering:

"**SECOND NOTICE DELIVERED PURSUANT TO PARAGRAPH 26 OF LEASE — FAILURE TO TIMELY RESPOND WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF TRANSFER.**" If Landlord fails to deliver notice of Landlord's consent to, or the withholding of Landlord's consent, to the proposed Transfer within such five (5) business day period, Landlord shall be deemed to have approved the Transfer in question. If Landlord at any time timely delivers notice to Tenant of Landlord's withholding of consent to a proposed Transfer, Landlord shall specify in reasonable detail in such notice, the basis for such withholding of consent.

Notwithstanding anything to the contrary contained in this Paragraph 26, in the event Tenant contemplates an assignment or a sublease of 50% or more of the Premises for all or substantially all of the remaining Lease Term, in each case except in the event of a Permitted Transfer, Tenant shall, in addition to the Transfer Notice, give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Paragraph 26 in order to allow Landlord to elect to recapture the Contemplated Transfer Space for the entire remaining Term of this Lease. Thereafter, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to the Contemplated Transfer Space as of the date stated in the Intention to Transfer Notice as the effective date of the proposed Transfer. Such recapture of the Contemplated Transfer Space by Landlord shall cancel and terminate this Lease with respect to the Contemplated Transfer Space for the remaining Term of this Lease and Tenant shall be relieved of its obligation under this Lease with respect to the Contemplated Transfer Space having been recaptured. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Contemplated Transfer Space under this Paragraph **26**, then, provided Landlord has consented to the proposed Transfer, and not otherwise, Tenant shall be entitled to proceed to transfer the Contemplated Transfer Space to the proposed transferee.

Without limiting the other instances in which it may be reasonable for Landlord to withhold its consent to an assignment or sublease, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold its consent in the following instances: (i) if at the time consent is requested Tenant is in Default; (ii) in the case of a proposed assignment of Tenant's interest in this Lease, if the proposed assignee's credit, character and business or professional standing does not meet the reasonable standards of Landlord; or (iii) if the proposed assignee is an existing tenant of the Building (unless Landlord is not able to accommodate such existing tenant) or Landlord is currently actively marketing comparable space in the Building to such

proposed assignee. Without limiting Other instances in which it may be reasonable for Landlord to withhold its consent to any encumbrance or hypothecation of the interest of Tenant in this Lease, Landlord and Tenant acknowledge that is reasonable for Landlord to withhold its consent in instances where by reason of such encumbrance or hypothecation a tenant other than a tenant as approved by Landlord may acquire rights with respect to the Premises or any portion of the Premises by reason of any default proceedings pursuant to any such encumbrance or hypothecation or otherwise.

In the event that Landlord shall consent to any Transfer under the provisions of this Paragraph, Tenant shall pay Landlord's reasonable processing costs and attorneys' fees incurred in giving such consent (not to exceed $2,500). Landlord's consent to any Transfer, including without limitation in connection with a Permitted Transfer, shall not release or relieve Tenant from its obligations for the full and timely performance of each and every term and condition to be performed by Tenant hereunder. If for any proposed assignment or sublease Tenant receives rent or other consideration, either initially or over the term of the assignment or sublease, in excess of the rent and monthly amortization of Transfer Costs (defined below) called for hereunder, or, in case of the sublease of a portion of the Premises, in excess of the monthly amortization of all Transfer Costs and such rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are taken into account, Tenant shall, except where such assignee or subtenant is an affiliate of Tenant, pay to Landlord as additional rent hereunder 75% of the excess of each such payment of rent or other consideration received by Tenant promptly after its receipt. As used herein, "**Transfer Costs**" shall mean commercially reasonable brokerage commissions, marketing costs, attorneys' fees, and reasonable tenant improvement costs (or improvement allowances), incurred by Tenant in connection with such assignment or sublease, such Transfer Costs to be amortized for the purposes of Tenant's recovery of same from excess consideration, on a straight-line basis without interest over the then remaining Term of this Lease as of the effective date of such assignment or subletting. Landlord's waiver or consent to any assignment or subletting shall not relieve Tenant from any obligation under this Lease.

(d) Notwithstanding anything to the contrary contained in this Lease, Tenant may assign this Lease or sublet the Premises, or any portion thereof, without Landlord's consent, to any (i) entity which controls, is controlled by, or is under common control with Tenant; (ii) any entity which results from a merger of, reorganization of, or consolidation with Tenant; or (iii) any entity which acquires substantially all of the stock or assets of Tenant, as a going concern, with respect to the business that is being conducted in the Premises provided that, with respect to clauses (ii) and (iii) above, the assignee or sublessor as the case may be has a net worth greater than or equal to that of the Tenant at the commencement of the Term of this Lease (hereinafter each a "**Permitted Transfer**")**.** In addition, a sale or transfer of the capital stock of Tenant shall be deemed a Permitted Transfer if (1) such sale or transfer occurs in connection with any bona fide financing or capitalization for the benefit of Tenant, or (2) Tenant becomes a publicly traded corporation. Landlord shall have no right to terminate the Lease in connection with, and shall have no right to any sums or other economic consideration resulting from, any Permitted Transfer. Tenant shall give Landlord at least thirty (30) days prior written notice of any proposed Permitted Transfer (unless such prior notice is precluded by applicable law, in which event Tenant will provide such notice as soon as permitted) and shall provide to Landlord such information as Landlord may reasonably request with respect to the proposed Permitted Transfer.

(e) Landlord acknowledges that Tenant may, from time to time, have vendors, clients or consultants performing work on behalf of Tenant occupy one or more desks or offices within the Premises on a temporary basis (and, for such purpose, Tenant may request that said individuals be issued Building access cards) but that such temporary "desk-sharing" shall not constitute a Transfer hereunder so long as Tenant does not separately demise any space so occupied by such individuals or entities. Any such arrangement is referred to herein as a "**Desk License**", and the licensee under a Desk License, a "**License Holder**"**.** However, Tenant may not devote more than ten percent (10%) of the rentable area of the Premises to Desk Licenses. Tenant shall give written notice to Landlord at least five (5) business days prior to the date on which any individual becomes a License Holder which notice shall identify the individual, provide a brief description of the individual's relationship to Tenant and provide such other information as Landlord may reasonably request. Each individual participating a License Holder shall be subject to the prior written approval of Landlord which approval shall not be unreasonably withheld, conditioned or delayed.

27. Quiet Enjoyment. Landlord covenants and agrees with Tenant that upon Tenant paying the rent required under this Lease and paying all other charges and performing all of the covenants and provisions aforesaid on Tenant's part to be observed and performed under this Lease and subject to the terms and conditions of this Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises in accordance with this Lease.

28. Subordination, Non-disturbance and Attornment. Landlord represents to Tenant that, as of the Effective Date, there is no mortgage or deed of trust encumbering the Premises. Tenant agrees that if any loan is subsequently obtained by Landlord to be secured by the Site, Building and/or Premises, upon request Tenant shall agree to subordinate this Lease to the lien of such mortgage or deed of trust pursuant to, and subject to, the provisions of this Paragraph 28. Tenant agrees that in the event that any future mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, if requested by the mortgagee or beneficiary, as applicable, agree in writing to attorn to and become the Tenant of the successor in interest to Landlord provided that in all events Tenant's rights under this Lease shall not be affected absent any uncured Default by Tenant. Tenant covenants and agrees to execute (or make good faith comments to and thereafter execute) and deliver, upon request by Landlord and in the form reasonably requested by Landlord, any additional documents evidencing the subordination of this Lease with respect to any such future mortgage or deed of trust, provided that such documents shall confirm that Tenant's leasehold interest and any offset rights of Tenant expressly set forth in this Lease, shall not be terminated or otherwise affected as a result of such financing or any exercise by lender of any rights against Landlord or the Premises thereunder.

29. Estoppel Certificate.

29.1 Within ten (10) business days following any written request which Landlord or Tenant ("**Requesting Party**") may make from time to time, Tenant or Landlord, as applicable ("**Responding Party**") shall execute and deliver to Requesting Party a statement, in a form acceptable to Requesting Party, certifying; (i) the Lease Commencement Date; (ii) the fact that

this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (iii) the date to which the rental and other sums payable under this Lease have been paid; (iv) the fact that to the knowledge of the Responding Party, there are no current defaults under this Lease by either Landlord or Tenant except as specified in such statement; and (v) such other matters reasonably requested by the Requesting Party. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph 29 may be relied upon by any prospective mortgagee, beneficiary, purchaser, assignee or subtenant of the Premises or any interest therein or any auditor of either Landlord or Tenant.

29.2 The Responding Party's failure to deliver such statement within such time shall be conclusive upon Responding Party (i) that this Lease is in full force and effect, without modification except as may be represented by Requesting Party, (ii) that there are no known uncured defaults in the Requesting Party's performance, and (iii) that not more than one (1) month's rent has been paid in advance.

30. Conflict of Laws. This Lease shall be governed by and construed pursuant to the laws of the State of California.

31. Successors and Assigns. Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representative, successors and assigns.

32. Surrender of Premises. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or termination of this Lease, Tenant shall peaceably surrender the Premises and all alterations and additions thereto broom-clean, in good order, repair and condition, reasonable wear and tear and damage for which Tenant is not liable excepted. Further, upon expiration or termination of this Lease, Tenant, at its cost, shall restore the Premises, as required by the provisions of Section 14.1(g) and as otherwise required by the provisions of this Lease including, without limitation, the provisions of Paragraph 14.7. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

33. Professional Fees.

33.1 In the event that Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provisions of this Lease, or for any other relief against Tenant or Landlord hereunder, or should either party bring suit against the other with respect to matters arising from or growing out of this Lease, then all costs and expenses, including without limitation, its reasonable professional fees such as appraisers', accountants' and attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, whether or not the action is prosecuted to judgment.

33.2 Should Landlord and/or any of the Landlord Parties be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord and/or such Landlord Party its costs and expenses incurred in such suit as and when incurred, including without limitation, its reasonable professional fees such as appraiser's, accountants' and attorneys' fees.

34. Performance by Tenant. Except as otherwise provided in this Lease, all covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. Tenant acknowledges that the late payment by Tenant to Landlord of any sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such cost being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises or the Building of which the Premises are a part. Therefore if any amount due Landlord from Tenant hereunder has not been received on or before the date due, Tenant shall pay to Landlord, without notice or demand, as additional rent, four percent (4%) of the overdue amount as a late charge; notwithstanding the foregoing to the contrary, Tenant shall be entitled to notice and a five (5) calendar day cure period prior to the imposition of such late charge on the first (1st) occasion in any calendar year which any amount will by Tenant hereunder is not paid when due. Such overdue amount shall also bear interest, as additional rent, at the maximum rate permissible by law calculated, as appropriate, from that date when due until the date of payment to Landlord (the "**Interest Rate**"**).** Landlord's acceptance of any late charge or interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease or any law now or hereafter in effect.

35. Landlord's Mortgagee and Senior Lessor Protection; Landlord Waiver and Consent Agreements in favor of Tenant's Lenders. No default hereunder on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, terminate this Lease (if any), shall result in a release of such obligations or a termination of this Lease unless (a) Tenant has given notice to Landlord and to any beneficiary of a deed of trust or mortgage covering the Site and/or the Building (or any portion thereof) and to the lessor under any master or ground **lease** covering the Building, the Site or any interest therein, in each case, whose identity and address shall have been furnished in writing to Tenant, and (b) Tenant offers such beneficiary, mortgagee or lessor a reasonable opportunity (but in no event less than thirty (30) days) to cure the default, including time to obtain possession of the Premises by power of sale or of judicial foreclosure, if such should prove necessary to effect a cure (but only if the beneficiary, lender or mortgagee responds to Tenant's notice within a reasonable time confirming that such beneficiary, lender or mortgagee intends to cure the subject default). Landlord shall, from time to time, give Tenant written notice of the identity and address of the beneficiary of any deed of trust or mortgage covering the Site and/or the Building (or any portion thereof) and/or the lessor under any master or ground lease.

36. Definition of Landlord. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean, and include only, the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground

lease of the Site or master lease of the Building. In the event of any transfer, assignment or other conveyance or transfer of any such title or interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability accruing thereafter with respect to the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed and, without further agreement, the transferee of such title or interest shall be deemed to have agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Site and Building (including the Premises). Landlord may transfer its interest in the Site and Building (including the Premises) without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

37. Waiver. The failure of Landlord or Tenant to seek redress for violation of, or to insist upon strict performance of, any term, covenant or condition of this Lease shall not be deemed a waiver of such violation or prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation, nor shall any custom or practice which may become established between the parties in the administration of the terms hereof be deemed a waiver of, or in any way affect, the right of Landlord or Tenant to insist upon the performance by Tenant or Landlord, as the case may be, in strict accordance with said terms. The subsequent acceptance or payment of rent hereunder by Landlord or Tenant shall not be deemed to be a waiver of any preceding breach by Tenant or Landlord of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

38. Identification of Tenant. If more than one person executes this Lease as Tenant, (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant, and (b) the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy or this Lease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

39. Terms and Headings. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Paragraph headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Terms capitalized but not otherwise defined herein shall have the respective meanings given to such terms in the Summary. Terms defined in the plural shall also include the singular and those defubed in the singular shall also include the plural.

40. Examination of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for Lease and it is not effective as a Lease or otherwise until execution by and delivery to both Landlord and Tenant.

41. Time. Time is of the essence with respect to the performance of every provision of this Lease in which time or performance is a factor.

42. Prior Agreement; Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not incorporated herein.

43. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

44. Recording. Tenant shall not record this Lease nor a short memorandum thereof without the consent of Landlord and if such recording occurs, it shall be at the sole cost and expense of Tenant, including any documentary transfer taxes or other expenses related to such recordation.

45. Limitation on Liability. The obligations of Landlord and Tenant under this Lease do not constitute personal obligations of the individual partners, members, directors, officers or shareholders of Landlord or Tenant, and neither Landlord nor Tenant shall seek recourse against the individual partners, members, directors, officers or shareholders of Landlord or Tenant, or any of their personal assets for satisfaction of any liability in respect to this Lease. In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that in the event of any actual or alleged failure, breach or default hereunder by Landlord, the sole and exclusive remedy shall be against Landlord’s interest in the Building (which shall be deemed to include the rental income at the Building, the proceeds of any sale of all or any portion of the Building by Landlord as well as any insurance or condemnation proceeds).

46. Signs. Tenant shall have the right to place signage on the exterior of the Building subject to Landlord’s reasonable consent as to size, location and style and subject to Tenant’s obtaining approval of the City of San Francisco and any applicable governmental agencies. All signs shall be constructed, erected and affixed to the Building at Tenant’s sole cost and expense, and Tenant shall be responsible for the removal of such signage, and the repair of any damage to the Premises caused thereby, at the end of the Term. All signs shall be in full compliance with all applicable ordinances, statutes and regulations imposed by all applicable governmental authorities. Landlord agrees to reasonably assist Tenant at no material cost to Landlord in obtaining governmental approval of all Landlord approved signage. Tenant shall also be permitted to install signage in the lobby/ground floor entrance to the Building and in the elevator lobbies on all floors of the Building occupied by Tenant, subject to Landlord’s reasonable consent and at Tenant’s cost.

47. Roof Space. Landlord shall, at no additional cost to Tenant, make roof space available for Tenant’s rooftop equipment on the roof of the Building. All such equipment and its specifications and location shall be subject to Landlord’s reasonable prior written approval.

Tenant shall be responsible for the installation, maintenance, screening (as necessary) and removal of the rooftop equipment as well as any repairs necessitated by any of the foregoing, at Tenant's sole cost and expense. Tenant shall have, in addition, the exclusive right to use the deck area located on the roof of the Building.

48. Fire Stairs. Tenant shall have the right, subject to Landlord's approval, which shall not be unreasonably withheld, to utilize the fire stairs for travel between floors occupied by Tenant, so long as such use is code complaint. Tenant may securitize the stairwell and make cosmetic alterations to the fire stairs, so long as such alterations are code complaint, and subject to receipt of Landlord's prior written consent.

49. Sky Bridge. The parties acknowledge that there is an existing sky-bridge(s) connected to the Building with the building located at 301 Brannan Street, San Francisco, California ("**Sky Bridge**"). The Sky Bridge is currently closed and is not in use. As of the Effective Date, Tenant currently leases space at 301 Brannan Street. Landlord and Tenant agree to use commercially reasonable good-faith efforts to obtain all required approvals to reopen the Sky Bridge including coordinating the same with the owner of 301 Brannan, Kilroy Realty, and the City of San Francisco. The parties intend that the connection between the third floor of the Building and 301 Brannan be opened first and subsequently the connection between the second floor of the Building and 301 Brannan. Tenant agrees that all costs associated with such reopening efforts including, without limitation, any subsequent construction, if required, shall be at Tenant's sole cost and expense. Landlord makes no representation or warranty regarding the Sky Bridge or its condition. Tenant acknowledges that the reopening of the Sky Bridge or any part thereof is not a condition precedent to the effectiveness of this Lease. Upon surrender of the Premises, at the election of Landlord, Tenant, at its cost, shall restore the Sky Bridge to its condition prior to any improvements made by Tenant pursuant to this Paragraph 49.

50. Modification for Lender. If in connection with obtaining construction, interim or permanent financing for the Site and/or Building (or any interest therein), the lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or adversely affect the leasehold interest hereby created or Tenant's rights hereunder, and provided further that such modifications are essentially ministerial in nature.

51. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

52. Financial Statements. If requested by Landlord in connection with a potential sale or financing of the Site and/or the Building (or any interest therein), Tenant shall, upon fifteen (15) business days prior written notice from Landlord, and provided Landlord executes and delivers

to Tenant a nondisclosure agreement in a form reasonably satisfactory to Tenant, provide Landlord with Tenant's last financial statement, year to date financial statements and, to the extent prepared and existing, financial statements of the two (2) years prior to the current financial statement year for Tenant. Such statement shall be prepared in accordance with generally accepted accounting principles and, shall either be audited by an independent certified public accountant or certified by an officer of Tenant. Landlord shall use commercially reasonable efforts to protect the confidentiality of any such statement and to request that any proposed buyer or lender similarly treat the information contained in such statement as being confidential in nature, such that such information shall only be disclosed to the consultants, analysts or counsel as may be reasonably necessary in order to evaluate a potential purchase of, or loan upon, the Site and/or the Building (or any interest thereof).

53. Tenant as Corporation. If Tenant executes this Lease as a legal entity, then Tenant represents and warrants that (a) the individuals executing this Lease on Tenant's behalf are duly authorized to execute and deliver this Lease on the entity's behalf and (b) that this Lease is binding upon Tenant in accordance with its terms.

54. No Partnership or Joint Venture. Nothing in this Lease shall be deemed to constitute Landlord and Tenant as partners or joint venturers. It is the express intent of the parties hereto that their relationship with regard to this Lease be and remain that of landlord and tenant.

55. Counterparts. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document, Both counterparts shall be construed together and shall constitute a single lease.

56. Definitions.

"**Abatement Event**" has the meaning ascribed in Paragraph 17 28
"**ADA**" has the meaning ascribed in Paragraph 13.1 22
"**Approved Working Drawings**" has the meaning ascribed in Section 3.4 of the Work Letter 10
"**Architect**" shall have the meaning ascribed in Section 3.1 of the Work Letter 9
"**Base Building Plans**" has the meaning ascribed in Section 1.2 of the Work Letter 5
"**Base Building Services**" has the meaning ascribed in Paragraph 17 28
"**Building Requirements**" has the meaning ascribed in Section 1.2 of the Work Letter 5
"**Building Systems**" has the meaning ascribed in Paragraph 15.1 27
"**Building**" has the meaning ascribed in the Summary and Paragraph 1.1 1
"**CGL**" has the meaning ascribed in Paragraph 21.1(a) 33
"**Change**" has the meaning ascribed in Paragraph 14.1 22
"**Common Areas**" has the meaning ascribed in Paragraph 1.2 1
"**Common Operating Expenses**" has the meaning ascribed in Paragraph 6.2 11
"**Comparable Buildings**" has the meaning ascribed in Paragraph 4.2 8
"**Comparable Transactions**" has the meaning ascribed in Paragraph 4.2 8
"**Compliance Challenge**" has the meaning ascribed in Paragraph 8.1 17
"**Compliance Cost Budget**" has the meaning ascribed in Section 2.3.2 of the Work Letter A-7
"**Compliance Cost Items**" has the meaning ascribed in Section 2.3.1 of the Work Letter A-7
"**Compliance Costs**" has the meaning ascribed in Section 2.1 of the Work Letter A-5
"**Compliance Work**" has the meaning ascribed in Section 2.1 of the Work Letter A-6

"**Construction Drawings**" has the meaning ascribed in Section 3.1 of the Work Letter	A-9
"**Contemplated Effective Date**" has the meaning ascribed in Paragraph 26(c)	43
"**Contemplated Transfer Space**" has the meaning ascribed in Paragraph 26(c)	43
"**Contract**" has the meaning ascribed in Section 4.2.1 of the Work Letter	A-11
"**Contractor**" has the meaning ascribed in Section 4.1.1 of the Work Letter	A-11
"**Cosmetic Alterations**" has the meaning ascribed in Paragraph 14.3	24
"**Default**" has the meaning ascribed in Paragraph 2.2(a)	5
"**Delay Notice** has the meaning ascribed in Section 5.7 of the Work Letter	A-16
"**Desk License**" has the meaning ascribed in Paragraph 26	42
"**Direct Operating Expenses**" has the meaning ascribed in Paragraph 5	9
"**Drawing Change Notice**" has the meaning ascribed in Section 4.2.2 of the Work Letter	A-11
"**Early Access Date**" has the meaning ascribed in Paragraph h) the Summary and Paragraph 3	6
"**Effective Date**" has the meaning ascribed in the Opening Paragraph	1
"**Eligibility Period**" has the meaning ascribed in Paragraph	30
"**Emergency**" has the meaning ascribed in Paragraph 15.2	28
"**Engineers**" has the meaning ascribed in Section 3.1 of the Work Letter	A-9
"**Extended Term**" has the meaning ascribed in Paragraph 2.2	5
"**Extension Option**" has the meaning ascribed in Paragraph 2.2	5
"**Final Costs**" has the meaning ascribed in Section 4.2.1 of the Work Letter	A-11
"**Final Determination**" has the meaning ascribed in Paragraph 4.2	7
"**Final Space Plan**" has the meaning ascribed in Section 3.2 of the Work Letter	A-9
"**Final Working Drawings**" has the meaning ascribed in Section 3.3 of the Work Letter	A-10
"**Force Majeure Construction Delay**" has the meaning ascribed in Section 5.7 of the Work Letter	A-16
"**GAAP**" has the meaning ascribed in Paragraph 6.2	12
"**Gross Revenues**" has the meaning ascribed in Paragraph 6.2	11
"**Hazardous Material**" has the meaning ascribed in Paragraph 8.2(b)	19
"**HVAC**" has the meaning ascribed in Paragraph 6.2	11
"Intention to Transfer Notice" has the meaning ascribed in Paragraph 26(c)	43
"**Interest Rate**" has the meaning ascribed in Paragraph 34	47
"**Landlord Delay** has the meaning ascribed in Section 5.7 of the Work Letter	A-16
"**Landlord Parties**" has the meaning ascribed in Paragraph 8.2(a)	19
"**Landlord's Estimate**" has the meaning ascribed in Paragraph 4.2	7
"**Landlord's Repair Notice**" has the meaning ascribed in Paragraph 22.1	36
"**Landlord's Statement**" has the meaning ascribed in Paragraph 6.3	13
"**Landlord**" has the meaning ascribed in the Opening Paragraph	1
"**Lease**" has the meaning ascribed in the Summary	1
"**License Holder**" has the meaning ascribed in Paragraph 26	45
"**LOC**" has the meaning ascribed in Paragraph 7	15
"**Option Notice**" has the meaning ascribed in Paragraph 2.2	5
"**Outside Agreement Date**" has the meaning ascribed in Paragraph 4.2	7
"**Overlap Period**" has the meaning ascribed in Paragraph 17	30
"**Permitted Capital Expenditures**" has the meaning ascribed in Paragraph 6.2	11
"**Permitted Transfer**\ has the meaning ascribed in Paragraph 26	42
"**Real Property Taxes**" has the meaning ascribed in Paragraph 6.1	10
"**Rent Abatement Period**" has the meaning ascribed in Paragraph 4.4	8

"**Rent Abatement**" has the meaning ascribed in Paragraph 4.4	8
"**Requesting Party**" has the meaning ascribed in Paragraph 29.1	45
"**Responding Party**" has the meaning ascribed in Paragraph 29.1	45
"**Retail Space**" has the meaning ascribed in the Summary	1
"**Return Date**" has the meaning ascribed in Paragraph 7	16
"**Secured Areas**" has the meaning ascribed in Paragraph 17	29
"**Service Facilities**" has the meaning ascribed in Paragraph 14.1(c)	22
"**Site**" has the meaning ascribed in Paragraph 1.1	1
"**Sky Bridge**" has the meaning ascribed in Paragraph 49	50
"**South of Market District**" has the meaning ascribed in Paragraph 4.2	8
"**Summary**" has the meaning ascribed in Paragraph 1.1	1
"**Tenant Change**" has the meaning ascribed in Section 4.2.2 of the Work Letter	A-11
"**Tenant Improvement Allowance Items**" has the meaning ascribed in Section 2.2.1 of the Work Letter	A-6
"**Tenant Improvement Allowance**" has the meaning ascribed in Section 2.1 of the Work Letter	A-6
"**Tenant Improvements**" has the meaning ascribed in Section 2.1 of the Work Letter	A-5
"**Tenant Party**" has the meaning ascribed in Paragraph 8.2(a)	19
"**Tenant's Agents**" has the meaning ascribed in Section 4.1.2 of the Work Letter	A-11
"**Tenant's Security System**" has the meaning ascribed in Paragraph 14.12	26
"**Tenant's Share**" has the meaning ascribed in the Summary	iii
"**Tenant**" has the meaning ascribed in the Opening Paragraph	1
"**Term**" has the meaning ascribed in Paragraph 2	5
"**Termination Notice**" has the meaning ascribed in Paragraph 22.3	37
"**Title 24**" has the meaning ascribed in Section 2.1 of the Work Letter	A-5
"**Transfer Costs**" has the meaning ascribed in Paragraph 26(c)	44
"**Transfer Notice**" has the meaning ascribed in Paragraph 26	42
"**Transfer**" has the meaning ascribed in Paragraph 26	42
"**Work letter**" has the meaning ascribed in Paragraph 1.5	4

IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the day and year first above written.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

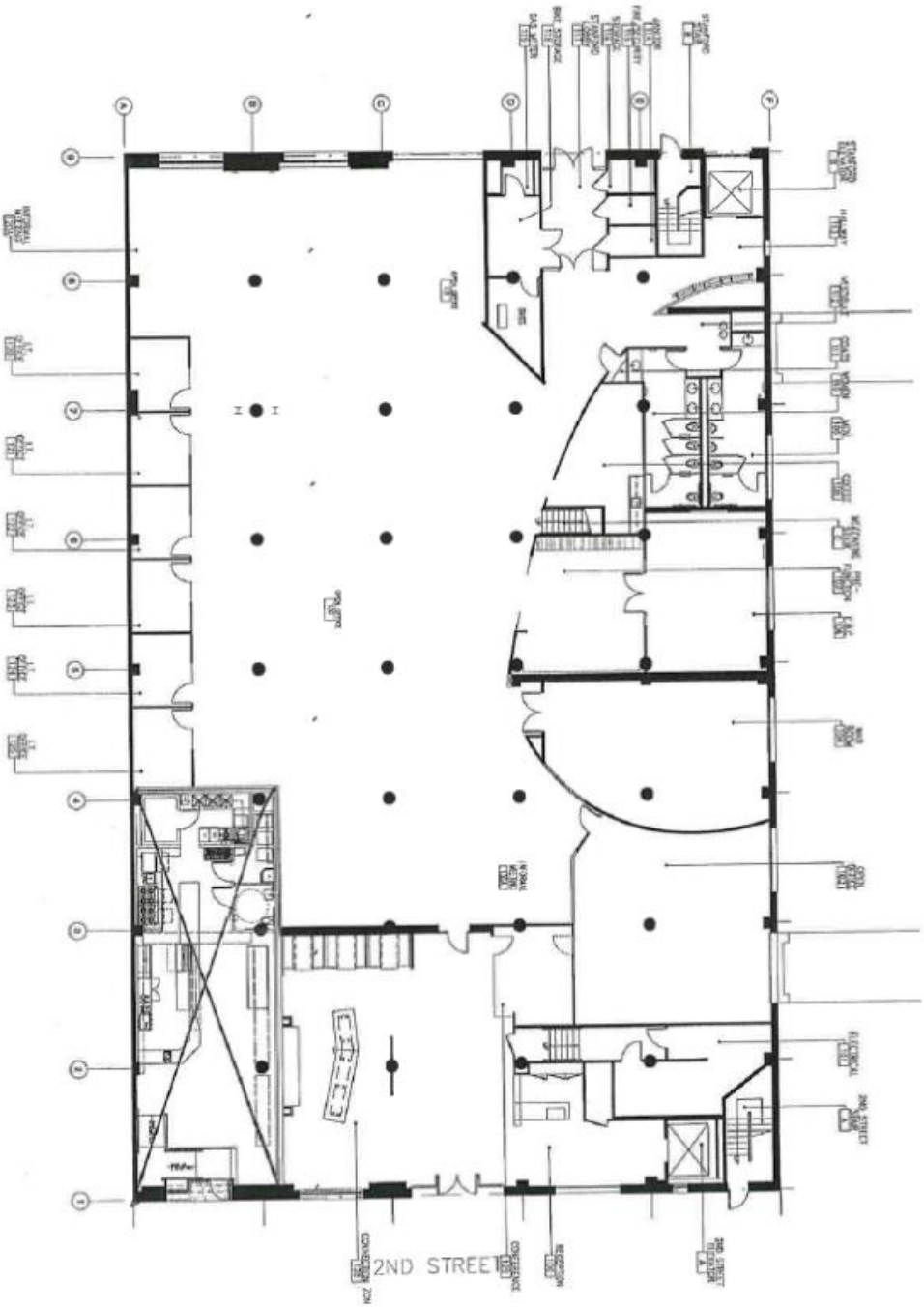
By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

EXHIBIT A
FLOOR PLAN
[Attached]



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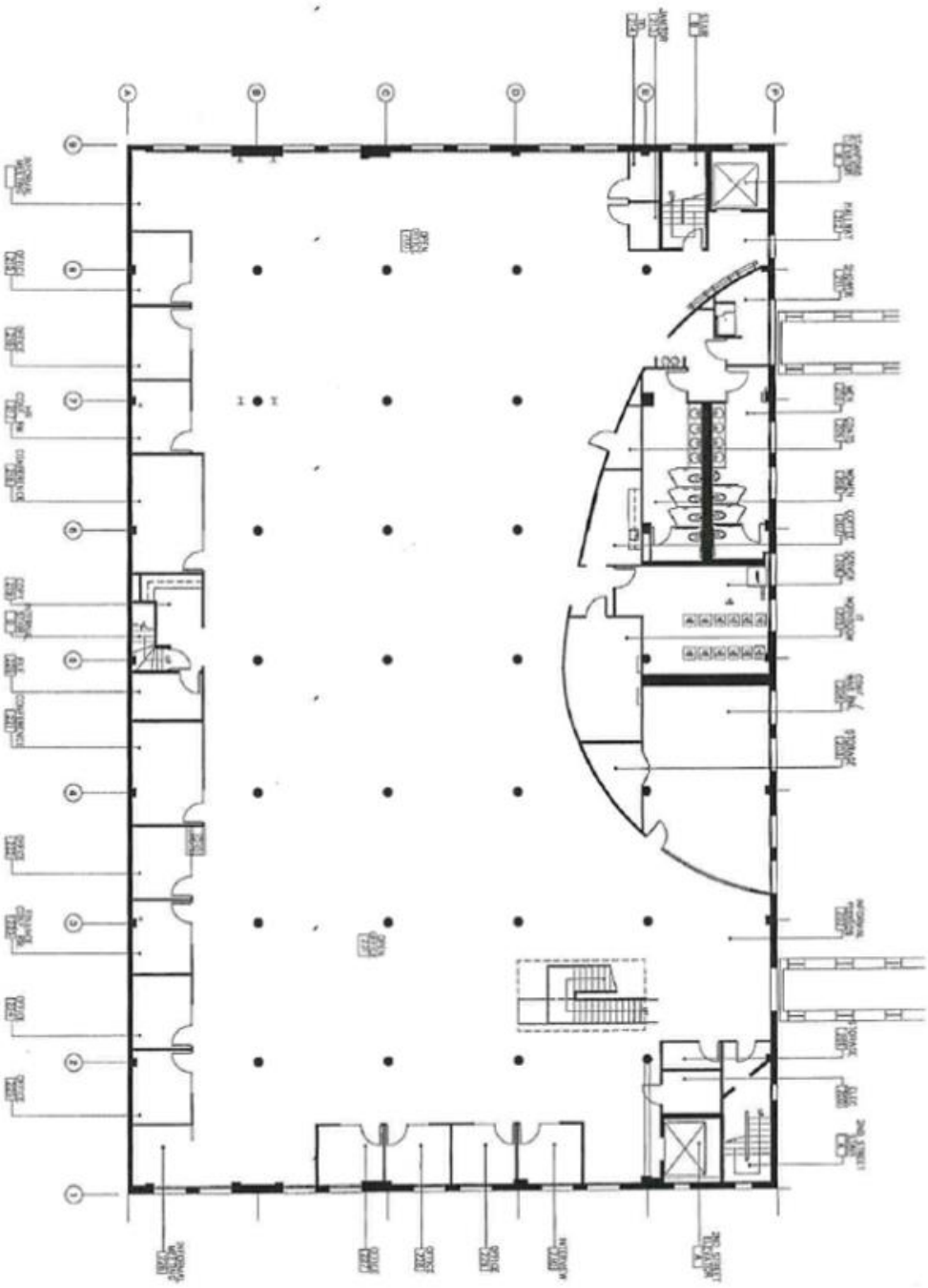

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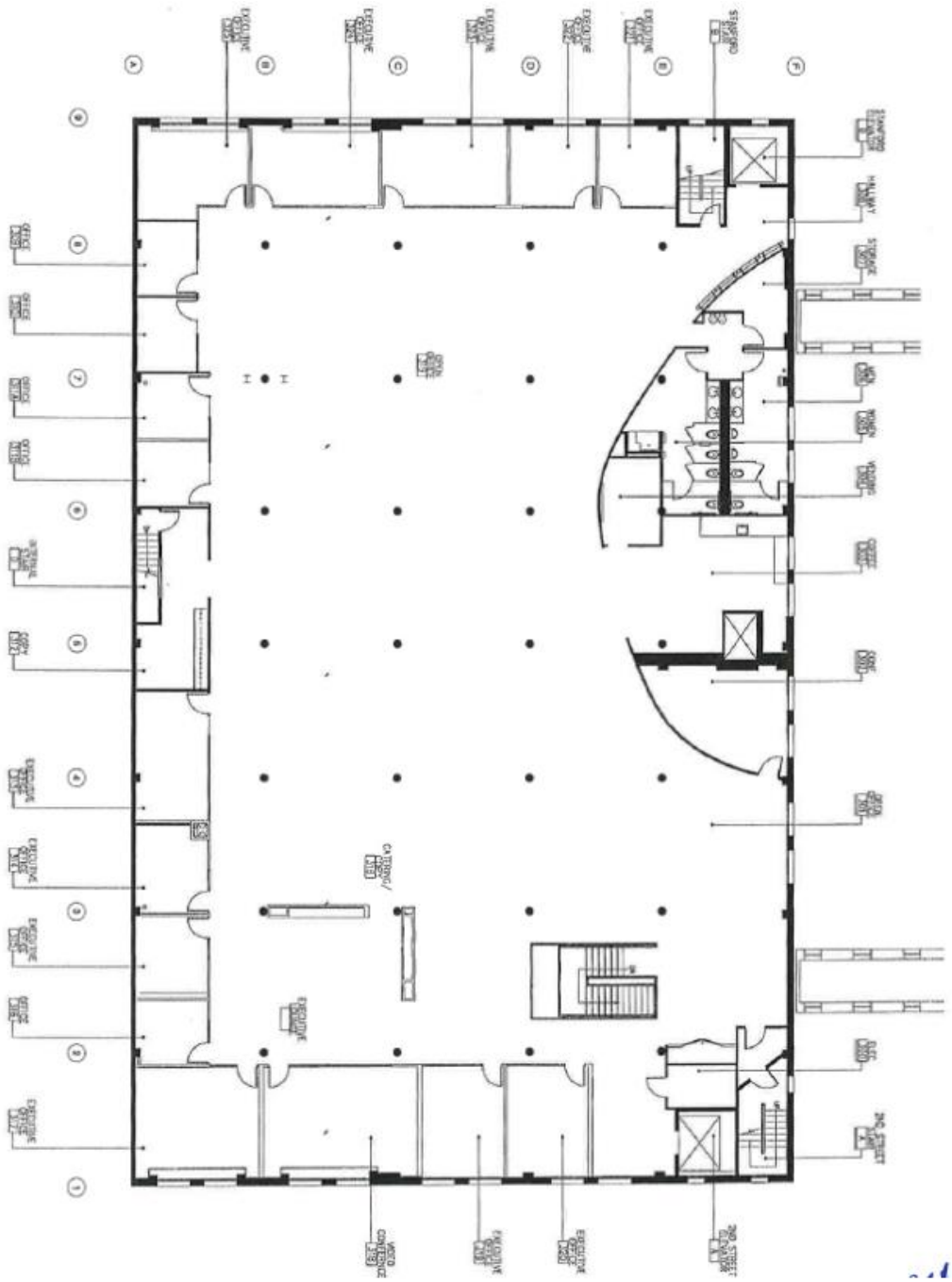

TENANT WORK LETTER

634 Second Street, **San Francisco**, **California**

This Tenant Work Letter ("**Work Letter**") is entered into effective December 11, 2014, and shall set forth the terms and conditions controlling the construction of certain Tenant Improvements and Compliance Work (all as defined below) to the Premises. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in that certain Lease dated December 11, 2014 between OKTA, Inc., a California corporation ("**Tenant**"), and SFI Real Estate Holdings, LLC, a Delaware limited liability company ("**Landlord**") (the "**Lease**")**.**

ARTICLE 1.
DELIVERY OF THE PREMISES

1.1 Delivery of the Premises. On the Access Date, Landlord shall deliver the Premises to Tenant, and Tenant shall accept the Premises from Landlord, in its presently existing, "as-is" condition subject to the terms of the Lease (including, without limitation, Landlord's obligations to deliver the Building Systems in good working order and repair and Landlord's general maintenance obligations set forth in the Lease). Tenant acknowledges and agrees that Landlord shall have no obligation or responsibility except as set forth in this Work Letter and in the Lease to perform any work, repairs, construction or improvements to the Premises in advance of Tenant's occupation and possession of the Premises. Landlord shall have only those obligations of repair and maintenance with respect to the Premises and/or the Building as specifically set forth in the Lease.

1.2 Base Building Plans. Landlord has delivered to Tenant Building plans and specifications prepared by Huntsman Architectural Group in the form of an AutoCAD compatible drawing file ("**Base Building Plans**") and will deliver to Tenant a complete and current copy of all rules, regulations, instructions and procedures promulgated by Landlord with respect to design and/or construction within the Building ("**Building Requirements**") to Architect (defined below).

ARTICLE 2.
TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance; Landlord's ADA and Title 24 Obligations. Tenant shall be entitled to a one time tenant improvement allowance (the "Tenant Improvement Allowance") in the amount of Forty dollars ($40.00) for each of the 45,032 rentable square feet of the Premises, for a total Tenant Improvement Allowance of $1,801,280.00, which shall be applied toward the costs of the initial design, permitting and construction of those certain improvements to the Premises (exclusive of the Compliance Work) contemplated by this Work Letter (the "**Tenant Improvements**"). In addition, Landlord, at Landlord's sole cost, shall be responsible for the cost of bringing the Premises, Building and Common Areas into compliance the requirements with the ADA and the standards set forth in Title 24 of the California Code of Regulations ("**Title 24**") (the cost of such work being referred to herein collectively as the, "**Compliance Costs**"). The Compliance Costs, in addition to the Tenant Improvement

Allowance, shall be made available to Tenant in connection with the construction by Tenant of the Tenant Improvements and Compliance Work (as defined below). In no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in a total amount which exceeds the aggregate amount of the Tenant Improvement Allowance and the Compliance Costs. The approved work included in the Compliance Costs (**"Compliance Work"**) shall be performed by Tenant as detailed herein.

2.2 Disbursement of the Tenant Improvement Allowance.

2.2.1 Tenant Improvement Allowance Items. The Tenant Improvement Allowance shall be disbursed by Landlord pursuant to the terms of this Work Letter and only for such items and costs as are directly related to design costs, permit and application fees, licenses and taxes, and architectural fees, consulting fees, construction management fees, engineering and mechanical services, and hard construction costs related to those improvement components expressly approved by Landlord including without limitation Tenant's signage (collectively the "**Tenant Improvement Allowance Items**")**.** The Tenant Improvement Allowance Items shall not include IT cabling for the Premises and Tenant shall be responsible for the cost of such IT cabling apart from the Tenant Improvement Allowance.

2.2.2 Disbursement of Tenant Improvement Allowance. Landlord shall make monthly disbursements to Tenant of the Tenant Improvement Allowance as follows:

(a) Monthly Disbursements. On or before the thirtieth (30th) day of each calendar month, Tenant shall deliver to Landlord a request for payment for amounts incurred for any of the Tenant Improvement Allowance Items, together with documentation reasonably necessary for Landlord to confirm such costs. On or before the twentieth (20th) day of the following calendar month, Landlord shall deliver a check to Tenant made payable to Tenant in payment of the lesser of (A) the amounts so requested by Tenant subject to the provisions of this Work Letter and (B) the balance of any remaining available portion of the Tenant Improvement Allowances.

(b) Other Terms. Landlord shall be obligated to make disbursements from the Tenant Improvement Allowance as and when costs are incurred by Tenant for Tenant Improvement Allowance Items, based upon invoices submitted by Tenant for such costs. Landlord shall only be required to make a progress payment provided that Tenant delivers lien releases for all applicable work which is the subject of the payment request (conditioned on payment only) and unconditional lien releases for all work completed prior to the work included within the scope of the subject progress payment. Landlord shall further have the right to confirm that all payments made through the date of the subject progress payment reasonably correspond to the completion percentage of the Tenant Improvement Allowance Items and Landlord shall be entitled to require that Architect from time to time certify to Landlord the percentage of completion then having been achieved with respect to construction of the Tenant Improvement Allowance Items.

2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent of the Tenant Improvement Allowance Items.

2.2.4 HVAC Consultant. Tenant, in connection with performing its construction obligations under this Work Letter, shall be required to retain Landlord's designated HVAC consultants to achieve adequate air balancing of the HVAC distribution system, which cost shall be reimbursed to Tenant as part of the Tenant Improvement Allowance. Said HVAC consultants will charge commercially competitive rates. Prior to commencement of construction of the Tenant Improvements Landlord shall give written notice to Tenant of the identity of Landlord's HVAC consultants.

2.2.5 Unused Allowance. In the event that there remains any unused portion of the Tenant Improvement Allowance following all required disbursements by Landlord in connection with completing the Tenant Improvements, any such amount shall be retained by Landlord. Tenant shall have no entitlement to any excess of the Tenant Improvement Allowance not in good faith consumed in the construction of the Tenant Improvement Allowance Items.

2.3 Disbursement of the Compliance Costs.

2.3.1 Compliance Cost Items. The Compliance Costs shall be disbursed by Landlord pursuant to the terms of this Work Letter and only for items and costs as are directly related to bringing the Premises, Building and Common Areas into compliance with the requirements of the ADA and Title 24 (collectively, the "**Compliance Cost Items**")**.** The Compliance Cost Items shall include costs directly related to design, permit and application fees, licenses and taxes, and architectural fees, consulting fees, construction management fees, engineering and mechanical services and hard construction costs related to the Compliance Work expressly approved by Landlord.

2.3.2 Compliance Cost Budget. Prior to commencement of construction of the Tenant Improvements and Compliance Work and following the preparation of Final Working Drawings as provided in Article 3 below and receipt of bids from subcontractors with respect to construction of the Compliance Work, Landlord and Tenant shall meet and confer to determine a comprehensive budget for the Compliance Costs including a detailed list of Compliance Work and Compliance Cost Items (the "**Compliance Cost Budget**")**.** To the extent any component of Compliance Work is combined with or connected closely to elements or components of the Tenant Improvements that are not directly related to Compliance Work, the Architect shall present a proposal detailing Architect's good faith estimate of the percentage of work attributable directly to Compliance Work and the corresponding Compliance Costs; provided however, all such proposals shall be subject to Landlord's approval in its discretion. Upon reaching agreement regarding the Compliance Cost Budget, Landlord and Tenant shall execute and date the final approved Compliance Cost Budget which shall establish the maximum amount of Compliance Costs for which the Landlord is responsible during the course of construction of the Compliance Work, except as set forth herein to the contrary. However, as construction continues, if and to the extent that Tenant submits a Drawing Change Notice reflecting a Tenant Change in the Compliance Work, which Tenant Change is approved by Landlord (Landlord's approval not to be unreasonably withheld, conditioned or delayed), the Compliance Cost Budget shall be appropriately adjusted to account for such Tenant Change. Notwithstanding the immediately preceding sentence, the adjustments to the Compliance Cost Budget shall be limited to those adjustments required by reason of changes to the Approved Working Drawings necessitated to comply with building codes or other applicable governmental requirements to the

extent attributable to Compliance Costs incurred in connection with any such changes and although Landlord may approve a Tenant Change relating to other modifications to the Approved Working Drawings, increases in Compliance Costs relating to such Tenant Changes shall be added to the Compliance Cost Budget only to the extent approved by Landlord in its discretion. In the event that Landlord and Tenant are unable to agree on the maximum amount of Compliance Costs for which Landlord is responsible within ten (10) business days following completion of the Final Working Drawings and receipt of all bids for the Compliance Work, either Landlord or Tenant shall be entitled to submit the dispute to JAMS or its successor for mediation or if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration to establish the cost of the Compliance Work. Either Landlord or Tenant may commence mediation by providing to JAMS and the other party a written request for mediation. The selection of the mediator and/or arbitrator and the process for mediation or arbitration shall be as established by JAMS and the cost of any mediation or arbitration shall be paid equally by Landlord and Tenant. The mediation, and if necessary, the arbitration shall be held in San Francisco and shall proceed as quickly as reasonably possible. The decision of Landlord and Tenant as a result of the mediation or the decision of the arbitrator as a result of any arbitration with respect to the cost of the Compliance Work shall establish the maximum Compliance Cost.

Tenant shall diligently construct the Compliance Work and will perform such work in accordance with the Compliance Cost Budget, as the same may be adjusted.

2.3.3 Disbursement of the Compliance Costs. Landlord shall make monthly disbursements to Tenant of the Compliance Costs as follows:

(a) Monthly Disbursements. On or before the thirtieth (30th) day of each calendar month, Tenant shall deliver to Landlord a request for payment for amounts incurred for any of Compliance Cost Items forth in the Compliance Cost Budget, together with documentation reasonably necessary for Landlord to confirm such costs. On or before the twentieth (20th) day of the following calendar month, Landlord shall deliver a check to Tenant made payable to Tenant and in payment of the amounts so requested by Tenant.

(b) Other Terms. Landlord shall be obligated to make disbursements up to the aggregate amount of the Compliance Cost Budget (as the same may be adjusted) as and when costs are incurred by Tenant for Compliance Cost Items included in the Compliance Cost Budget (as the same may be adjusted), based upon invoices submitted by Tenant for such costs. Landlord shall only be required to make a progress payment provided that Tenant delivers lien releases for all work which is the subject of the payment request (conditioned on payment only) and unconditional lien releases for all Compliance Work completed prior to the Compliance Work included within the scope of the subject progress payment. Landlord shall further have the right to confirm that all payments made through the date of the subject progress payment reasonably correspond to the completion percentage of the Compliance Work and Landlord shall be entitled to require that Architect from time to time certify to Landlord the percentage of completion then having been achieved with respect to construction of the Compliance Work.

2.3.4 Additional Terms. Landlord shall only be obligated to make disbursements from the Compliance Cost Budget (as the same may be adjusted) to the extent of the agreed upon amounts.

2.3.5 Unused Compliance Cost Budget. In the event that there remains any unused portion of the Compliance Cost Budget following all required disbursements by Landlord in connection with construction of the Compliance Work, any such amount shall be retained by Landlord. Tenant shall have no entitlement to any excess of the Compliance Cost Budget not in good faith consumed in the construction of the Compliance Work.

ARTICLE 3.
CONSTRUCTION DRAWINGS

3.1 Selection of Drawings. Tenant shall retain an architect/space planner subject to the reasonable approval of Landlord (the "**Architect**")**;** Landlord hereby approves Fennie and Mehl as the Architect to prepare the Construction Drawings (defined below). Tenant shall retain engineering consultants subject to the reasonable approval of Landlord (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work required to the Premises as a with respect to Tenant Improvements and the Compliance Work. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**"**.** All Construction Drawings shall be subject to Landlord's reasonable approval, not to be unreasonably withheld, conditioned or delayed. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building Plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith Landlord's review of the Construction Drawings as set forth in this Section, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in the Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. Landlord shall review and respond to any revised Final Space Plan within five (5) business days, and Landlord's review will be limited in

scope to Tenant's correction of the items specified by Landlord in Landlord's prior disapproval of the Final Space Plan. This process shall continue until Landlord has approved the Final Space Plan.

3.3 Final Working Drawings. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the Construction Drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Working Drawings**") and shall submit the same to Landlord for Landlord's approval which shall not be unreasonably withheld. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect; Landlord's approval will not be unreasonably withheld. If Tenant is so advised, Tenant shall promptly cause the revision of the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith. Landlord shall review and respond to any revised Final Working Drawings within five (5) business days, and Landlord's review will be limited in scope to Tenant's correction of the items specified by Landlord in Landlord's prior disapproval of the Final Working Drawings. This process shall continue until Landlord has approved the Final Working Drawings. Landlord's review of the Final Working Drawings as set forth in this Section shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, compliance or other like matters. Accordingly, notwithstanding that any Final Working Drawings are reviewed by Landlord or its space planner, architect, engineers or consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Final Working Drawings (or Approved Working Drawings) and Tenant's waiver and indemnity set forth in the Lease shall specifically apply to the Final Working Drawings and Approved Working Drawings.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**") prior to the commencement of construction of the Tenant Improvements and Compliance Work by Tenant. After approval by Landlord of the Final Working Drawings, Tenant may submit the same to the City of San Francisco for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld, conditioned or delayed.

ARTICLE 4.
CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractor. A licensed, qualified general contractor shall be retained by Tenant to construct the Tenant Improvements and Compliance Work. Such general contractor ("**Contractor**") shall be selected by Tenant subject to the approval of Landlord, which approval shall not be unreasonably withheld; Tenant will submit to Landlord a list of the general contractors whom Tenant is contemplating retaining prior to circulating a request for bids to such general contractors; Landlord will, within five (5) business days, notify Tenant if any of the general contractors on Tenant's proposed list are disapproved by Landlord. If Landlord fails to respond and such failure continues for two (2) business days following Tenant's delivery to Landlord's representative of a second (2nd) notice (which notice may be delivered via electronic mail), the general contractors on Tenant's proposed list shall be deemed approved.

4.1.2 Tenant's Agents. All major subcontractors used by Tenant (such subcontractors and the Contractor, together with all laborers, materialmen and suppliers retained by Tenant's Contractor or such subcontractors to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed.

4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "**Contract**"), Tenant shall submit the Contract to Landlord for its approval which approval shall not be unreasonably withheld. If Landlord fails to notify Tenant of Landlord's approval or disapproval of the Contract within three (3) business days following Tenant's delivery of the same to Landlord, and if such failure continues for two (2) business days following Tenant's delivery to Landlord's representative of a second (2nd) notice (which notice may be delivered via electronic mail), Landlord will be deemed to have approved the Contract. Prior to the commencement of the construction of the Tenant Improvements and Compliance Work, and after Tenant has accepted all bids for the Tenant Improvements and Compliance Work, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, in connection with the design, permitting and construction of the Tenant Improvements and Compliance Work pursuant to the Construction Drawings to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract (the "**Final Costs**")**.**

4.2.2 Change Order. When the Approved Working Drawings have been approved, there shall be no changes without Landlord's prior written approval (which will not be unreasonably withheld, conditioned or delayed), except for necessary on-site installation variations or minor changes necessary to comply with building codes and other government regulations. If Tenant desires to materially change the Approved Working Drawings, Tenant shall deliver notice (a "**Drawing Change Notice**") of the same to Landlord, setting forth in detail the changes Tenant desires to make (the "**Tenant Change**")**.** Landlord shall, within five

(5) business days of receipt of a Drawing Change Notice, either (i) approve the Tenant Change, or (ii) reasonably disapprove the Tenant Change and deliver a notice to Tenant specifying in reasonably sufficient detail the reasons for Landlord's disapproval.

4.2.3 Tenant's Agents.

(a) Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agent's construction of the Tenant Improvements and Compliance Work shall comply with the following: (i) the Tenant Improvements and Compliance Work shall be constructed in accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements and Compliance Work to Contractor and Contractor shall, within five (5) days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall use diligent efforts to adhere to such corrected schedule; and (iii) Tenant shall abide by all reasonable rules made by Landlord's property manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements and Compliance Work.

(b) Indemnity. Tenant's indemnity of Landlord, and Landlord's indemnity of Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents or Landlord or Landlord's employees, agents or contractors, or anyone directly or indirectly employed by any of them, or in connection with a party's non-payment of any amount arising out of the Tenant Improvements or Compliance Work.

(c) Requirements of Tenant's Agents. Contractor (on behalf of Tenant's Agents) shall guarantee to Tenant for the benefit of Landlord that the Tenant Improvements and Compliance Work shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Contractor shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with the Contract that shall become defective within one (1) year after the completion of the work performed by Contractor. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements and/or Compliance Work and/or the Building and/or common areas that may be damaged or disturbed thereby. Such warranty shall be contained in the Contract and shall be written such that it shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

(d) Insurance Requirements.

(i) General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits as may be reasonably

acceptable to Landlord and commercially appropriate, taking into account the particular Tenant's Agent's role and scope of work with respect to constructing the Tenant Improvements and/or Compliance Work, and in form and with companies as are required of Tenant pursuant to the terms of the Lease.

(ii) Special Coverages. During construction of the Tenant Improvements, Tenant shall carry, or shall require Contractor to carry, "Builder's All Risk" insurance in an amount reasonably approved by Landlord (but in no event greater than 100% of the completed insurable value of the Tenant Improvements and Compliance Work) covering the construction of the Tenant Improvements and Compliance Work (at Tenant's option, Contractor will carry such Builder's All Risk insurance), and such other insurance as Landlord may reasonably require, it being understood and agreed that the Tenant Improvements and Compliance Work shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than $500,000 per incident, $1,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(iii) General Terms. Certificates for all insurance carried pursuant to this Section 4.2.3(d) shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and/or Compliance Work and before the Contractor's equipment is moved onto the Site. All such policies of insurance must contain a provision, if commercially available, that the company writing said policy will give Landlord thirty (30) days' prior written notice of any cancellation or lapse of the effective date of such insurance. In the event that the Tenant Improvements and Compliance Work are damaged during the course of the construction thereof, Tenant shall promptly repair the same at Tenant's sole cost and expense, unless such damage is caused by the gross negligence or willful misconduct of Landlord or any Landlord Party, in which event said repair shall be at Landlord's cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements and Compliance Work are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for two (2) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this Section 4.2.3(d) (other than Workers' Compensation coverage) shall insure Tenant, and Landlord as an additional insured, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under the Lease.

4.2.4 Governmental Compliance. The Tenant Improvements and Compliance Work shall comply in all respects with the following: (i) the applicable building code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person;

(ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.5 Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements and Compliance Work at all reasonable times, provided however, that Landlord will not interfere with the construction of the Tenant Improvements and Compliance Work. Landlord's failure to inspect the Tenant Improvements and Compliance Work shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements and Compliance Work constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements and Compliance Work, Landlord shall promptly notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or timely disapproval by Landlord of, the Tenant Improvements and Compliance Work shall be rectified by Tenant, provided, however, that in the event Landlord reasonably determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements and Compliance Work and such defect, deviation or matter might adversely affect the Building Systems, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord shall inform Tenant in writing and Tenant shall have five (5) business days to rectify same. In the event Tenant fails to do so, Landlord may take such action as Landlord deems reasonably necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements and Compliance Work until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction. Landlord shall perform any such correction in a diligent and timely manner so as to minimize any delay in the construction of the Tenant Improvements and Compliance Work.

4.3 Notice of Completion; Copy of Record Set of Plans. Within fifteen (15) days after completion of construction of the Tenant Improvements and Compliance Work, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of mylar as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (C) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises constructed by Tenant.

4.4 Landlord's Supervision Fee. In connection with such function, Landlord shall be entitled to a supervision fee equal to the third-party costs actually incurred by Landlord in the

review of the drawings and other materials to be submitted by Tenant to Landlord for approval as provided in this Work Letter and inspection of the Tenant Improvements and Compliance Work. Such fee shall be payable to Landlord in the form of a reduction in the Tenant Improvement Allowance and Compliance Costs pursuant to Article 2 above.

ARTICLE 5.
MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Ned Fennie (ief@fm-arch.com/ (415) 278-9578) as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

5.2 Landlord's Representative. Landlord has designated Bart Kraft (bkraff@mcmllc.com/ (802 362-4410) as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

5.3 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if a Default as described in the Lease or this Work Letter has occurred at any time on or before the substantial completion of the Tenant Improvements and Compliance Work then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or funds which are part of the Compliance Cost Budget and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord).

5.5 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall conduct their activities in and around the Premises, Building and the Site in a harmonious relationship with all other subcontractors, laborers, materialmen and suppliers at the Premises, Building and Site.

5.6 Hazardous Materials. If the construction of the Tenant Improvements or Compliance Work or Tenant's move into the Premises will involve the use of or disturb Hazardous Materials existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such Hazardous Materials. In the event any Hazardous Materials (as defined in the Lease) are discovered or are present at the Premises as of the date of this Lease, none of the Tenant Improvement Allowance shall be used or applied to remediate or remove any

of such Hazardous Materials, any remediation and/or removal shall be the sole obligation, responsibility and liability of Landlord and none of the cost thereof shall be part of Common Operating Expenses. Any delay in completion of the Tenant Improvements resulting from the discovery, remediation and/or removal of Hazardous Materials shall be a Landlord Delay.

5.7 Landlord Delay. As used herein, (x) "**Force Majeure Construction Delay**" shall mean acts of God, casualties, natural disasters, strikes, war, terrorist attacks, lockouts, labor disputes or civil commotion, and (y) "**Landlord Delay**" shall mean a delay in the construction of the Tenant Improvements or Compliance Work resulting directly from the acts or omissions of Landlord, Landlord's employees, agents, or contractors including, but not limited to (i) failure of Landlord to timely approve or disapprove any plans; (ii) interference by Landlord, its employees, agents or contractors with the completion of the Tenant Improvements or Compliance Work (including the impairment of Tenant's contractors' or vendors' or employees' access to the Premises for any reason (including due to the presence of Landlord's contractors, vendors or personnel), failure to provide reasonable access to the Building's loading docks or other facilities necessary for the construction of the Tenant Improvements or Compliance Work and/or the movement of materials and personnel to the Premises for such purpose) and (iii) delays due to the acts or failures to act of Landlord, its agents or contractors with respect to payment of the Tenant Improvement Allowance. If Tenant contends that a Force Majeure Construction Delay or a Landlord Delay has occurred, Tenant acknowledges and agrees that it has inspected the Building and the Site and in no event shall the physical character or condition of the Building and/or Site existing as of the Effective Date constitute a basis for a Landlord Delay (this agreement does not apply to the failure of any Building component to properly operate). Further, in no event shall any delay of Landlord constitute a Landlord Delay unless such delay results in a full day of delay in the construction of the Tenant Improvements or Compliance Work. Tenant shall notify Landlord in writing (the "**Delay Notice**") of the event which constitutes such Force Majeure Construction Delay or Landlord Delay; such notice may be via electronic mail to Landlord's construction representative described above. Tenant will additionally use reasonable efforts to mitigate the effects of any Force Majeure Construction Delay or Landlord Delay through the re-sequencing or re-scheduling of work, if feasible, but this sentence will not be deemed to require Tenant to incur overtime or after-hours costs unless Landlord agrees in writing to bear such costs. If the actions or inactions or circumstances described in the Delay Notice constitute a Landlord Delay, and are not cured by Landlord within one (1) business day after Landlord's receipt of the Delay Notice, then a Landlord Delay shall be deemed to have occurred commencing as of the expiration of such one (l)-business day period. The Lease Commencement Date and the Lease Expiration Date will each be delayed on a day for day basis for each day of Force Majeure Construction Delay or Landlord Delay.

5.8 If and to the extent that Landlord fails to fund any monthly disbursement of the Tenant Improvement Allowance within thirty (30) days following Tenant's submission to Landlord of a draw request containing all of the materials and information required pursuant to Sections 2.2.2 or 2.3, Tenant shall be entitled to fund the amount set forth in Tenant's draw request, provided that Tenant will concurrently deliver notice to Landlord of the amount so funded by Tenant. Additionally, if and to the extent that Landlord's failure to timely fund a monthly disbursement of the Tenant Improvement Allowance causes Tenant to incur any additional penalty or fee payable to Contractor, Landlord will be responsible for such penalty or fee. In the event that Tenant funds a draw request otherwise properly fundable by Landlord

and/or Tenant incurs any penalty or fee payable to Contractor as a result of the Landlord's failure to fund a draw request properly submitted Landlord shall be responsible for the amount of any such funding by Tenant together with interest at the Interest Rate and shall promptly pay such amount to Tenant.

5.9 Incorporated into the Lease. For all purposes, this Work Letter shall be and is hereby deemed a part of the Lease, and to the extent necessary, they shall together be construed as one and the same document.

IN WITNESS WHEREOF, the parties have executed and delivered this Work Letter on the day and year first above written.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

EXHIBIT C
LEASE COMMENCEMENT AGREEMENT

_____, 2015

OKTA, Inc.
301 Brannan Street, 3rd Floor
San Francisco, California 94107
Attention: Bill Losch

RE: Lease ("**Lease**") dated December 11, 2014 between, OKTA, Inc., as "**Tenant**", and Six Thirty-Four Second Street, LLC, as "**Landlord**", for the premises located at 634 Second Street, San Francisco, California

Commencement Agreement

Dear Mr. Losch:

In accordance with Paragraph 4 of the above referenced Lease, this letter is to confirm the following (capitalized terms used herein will have the meaning given them in the Lease):

Early Access Date: _____, 2015

The Lease Commencement Date is _____, 2015

The Schedule of Monthly Basic Rent payable by Tenant is: **[TO BE ADDED]**

The Lease Expiration Date is _____, 2024 unless earlier terminated.

If you concur with the aforementioned, please execute and return one original copy to my attention.

Thank you.

Sincerely,

Six Thirty-Four Second Street, LLC

_____
Property Manager

Agreed:

OKTA, INC.

By: _____
Name: _____
Title: _____

EXHIBIT D

Janitorial Specifications at 634 2nd Street

A. TENANT SPACES/ELEVATOR LOBBIES:

NIGHTLY SERVICES

1. Gather all waste receptacles for disposal/replace liners if needed.
2. Gather all recycling and place for removal, replace liners if needed.
3. Empty clean and sanitize all wastepaper baskets and receptacles as needed.
4. Dust all flat surfaces and window frames within 5'. Remove coffee and beverage rings.
5. Clean and sanitize drinking fountains.
6. Remove smudges and fingerprints from doors and walls, light switches, etc.
7. Dust mops all vinyl/wood floors.
8. Spot clean, sweep and damp mop all marble/vinyl floors.
9. Spot clean marble/vinyl wall covering.
10. Remove gum, tar and any other foreign substance from the floor.
11. Wipe down all conference room tables.
12. Spot clean glass doors and glass partitions.
13. Spot clean and dust directory board glass and ledges.
14. Spot clean elevator doors and saddles.
15. Spot clean all chrome and bright work, door hardware and kick plates.
16. Spot clean interior street level glass.
17. Vacuum and spot clean elevator thresholds.
18. Vacuum all carpets in office area and spot clean spills and remove gum.
19. Edge vacuum elevator carpet. Remove spills and vacuum.
20. Properly arrange furniture in offices and kitchens - chairs, wastebaskets, etc.
21. Dust all over head vents and other high reaching areas including blinds.

22. Turn off all lights when the job is finished.
23. Lock all doors when completed.
24. Report all malfunctions to management thru the communications log.

WEEKLY SERVICES:

1. Dust all low reach areas.
2. Clean all chair pads.
3. Dust inside of all doors jams.

B. RESTROOMS CLEANING TASKS:

NIGHTLY SERVICES:

1. Empty and sanitize all waste and sanitary napkin receptacles, replace liners.
2. Restock all restrooms supplies.
3. Clean and sanitize all toilets, sinks and urinals.
4. Spot wash walls and partitions.
5. Clean mirrors and counters tops.
6. Polish all bright work and chrome fittings.
7. Clean and polish all stainless steel.
8. Clean and disinfect all floors drains.
9. Damp mop and disinfect floors.
10. Disinfect door hardware.
11. Report all malfunction to the communications log.

WEEKLY SERVICES:

1. Detail partition bases.
2. High dusting and clean ventilation grills.
3. Shower clean-up.

MONTHLY SERVICES:

1. Detail all wall bases.

C. KITCHEN AREA SPECIFICATIONS:

NIGHTLY SERVICES

1. Sweep and mop with light degreasing chemical any hardware surface cleaning.
2. If necessary, vacuum and spot clean carpeting or matting.
3. Wipe down all tables, table bases, and chairs. Organize chairs around tables. Remove newspaper/magazine off tables.
4. Empty and wipe clean all trash cans and recycling bins. Wipe down walls behind the containers.
5. Disinfect all counter tops and cabinet faces.
6. Polish all appliances.
7. Spot clean all remaining wall areas.
8. Dust all over head vents and other high reaching areas including blinds.

D. PASSENGER ELEVATORS:

NIGHTLY SERVICES

1. Spot clean interior doors and forward walls.
2. Spot clean elevator cab floor - edge thoroughly.
3. Vacuum and spot clean elevator thresholds.
4. Spot clean interior elevator walls.
5. Clean and polish railing.
6. Vacuum floor.

WEEKLY SERVICES:

1. Thoroughly clean interior face of the doors, walls and exterior saddles.
2. Polish all thresholds.

MONTHLY SERVICES:

1. Clean elevator light lenses.
2. Clean elevator cab ceiling.

E. STAIRWELLS CLEANING TASKS:

NIGHTLY SERVICES

1. Spot sweep and mop.
2. Dust handrails.

MONTHLY SERVICES:

1. Thoroughly sweep and mop.
2. Remove cobwebs from high areas.
3. Spot clean adjoining walls.

F. BUILDING EXTERIOR CLEANING TASK

NIGHTLY SERVICES

1. Police for debris.
2. Sweep entryway.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "**First Amendment**") is made and entered into as of April 28, 2015 by and between Six Thirty-Four Second Street, LLC, a Delaware limited liability company ("**Landlord**") and OKTA Inc., a Delaware corporation ("**Tenant**").

RECITALS

This First Amendment is made with respect to the following facts and circumstances:

A. Landlord and Tenant entered into that certain Agreement of Lease dated December 11, 2014 (the "**Lease**") whereby Tenant is leasing from Landlord and Landlord is leasing to Tenant certain premises located at 634 Second Street, San Francisco, California.

B. The Lease provides, in part, at Section 7 of the Lease for a security deposit in the amount of Two Million Seven Hundred Seventy-Three Thousand Two Hundred Eighty-Seven Dollars ($2,773,287) (the "**Security Deposit**") and further provides that the amount of the Security Deposit may be delivered by Tenant in the form of cash or a letter of credit ("**LOC**"). It is acknowledged that Tenant has delivered to Landlord a LOC in the full amount of the Security Deposit.

C. Landlord and Tenant desire to modify the Lease to provide for a reduction in the amount of the Security Deposit subject to the occurrence of certain conditions in accordance with the provisions of this First Amendment.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Recitals. The above Recitals are incorporated herein by this reference.

2. Reduced Security Deposit. The initial amount of the Security Deposit in the amount of Two Million Seven Hundred Seventy-Three Thousand Two Hundred Eighty-Seven Dollars ($2,773,287) whether deposited in cash or by delivery of a LOC shall, subject to the provisions of this First Amendment be reduced in accordance with the following:

(a) At the expiration of the fourth "Lease Year," as that term is defined below, the amount of the Security Deposit shall be reduced to a sum equal to One Million One Hundred Forty-Eight Thousand One Hundred Seventy-Nine Dollars ($1,148,179); and

(b) At the expiration of the sixth Lease Year the amount of the Security Deposit shall be reduced to Nine Hundred Seventy-Four Thousand Four Hundred Eighty Three Dollars ($974,483).

For purposes hereof the term "**Lease Year**" shall refer to each twelve (12) month period of the Term commencing as of the Lease Commencement Date with respect to the first Lease Year and the anniversary of the Lease Commencement Date with respect to each Lease Year thereafter.

3. Reduction Conditions. Each reduction in the amount of the Security Deposit as provided in Section 2 above shall be conditioned upon no monetary Default of Tenant (i.e., a default described in any of Sections 25.1(b), 25.1(c) or 25.1(e) of the Lease) having occurred during the Lease Year at the expiration of which the Security Deposit reduction pursuant to the provisions of Section 2 above is scheduled to occur. The reduction in the amount of Security Deposit as provided in Section 2(b), if Tenant qualifies for such reduction, may occur notwithstanding that Tenant may have failed to qualify for the reduction as provided in Section 2(a) above by reason of a monetary Default of Tenant.

4. Alternative Conditions to Reduction. Notwithstanding whether or not the reductions in the amount of the Security Deposit pursuant to the provisions of Section 2 have occurred, provided that no monetary Default by Tenant has occurred during the immediately preceding twelve (12) month period, the amount of the Security Deposit shall be reduced to an amount equal to Five Hundred Thirty-Two Thousand Four Hundred Twenty-Two Dollars ($532,422) upon the occurrence of all of the following:

(a) During the immediately preceding four (4) calendar quarters Tenant has achieved net profit during each such quarter totaling for all such quarters at least Twenty Million Dollars ($20,000,000) and EBITDA in the minimum amount of Seven Million Dollars ($7,000,000) for each of such quarters; and

(b) The then balance sheet pursuant to the financial statements prepared for Tenant shows a minimum of One Hundred Million Dollars ($100,000,000) of cash or cash equivalents.

Satisfaction of the above requirements shall be reflected, if at all, in the then current financial statement for Tenant prepared by the independent certified public accountants then being employed by Tenant. In the event that the conditions for the reduction in the amount of Security Deposit as provided in Sections 4(a) and 4(b) have occurred, and the Tenant does not qualify for the Security Deposit reduction by reason of a monetary Default occurring in the immediately prior twelve (12) month period then thereafter Tenant shall continue to be entitled to the reduction in the amount of Security Deposit as provided in this Section 4 at such time as the conditions as provided in Section 4(a) and 4(b) have been satisfied and no monetary Default by Tenant has occurred in the immediately preceding twelve (12) month period.

5. Additional Alternative Conditions. Notwithstanding whether or not any of the reductions as provided in Sections 2 and 4 above have occurred, provided no monetary Default by Tenant has occurred in the immediately preceding twelve (12) month period, in the event that a Qualified Public Offering occurs and (i) Tenant has achieved net income (excluding gains from sales of assets and any extraordinary items) cumulatively of at least Twenty Million Dollars ($20,000,000) for any four (4) consecutive quarters and (ii) Tenant has achieved an average total equity capitalization (at market value) of at least One Billion Dollars ($1,000,000,000) on a fully diluted basis based on its closing share price over any ten (10) consecutive trading days the amount of the Security Deposit shall be reduced to Five Hundred Thirty-Two Thousand Four Hundred Twenty-Two Dollars ($532,422). For purposes hereof the term "**Qualified Public Offering**" means the sale, and a firm commitment underwritten public offering, led by a nationally recognized underwriting firm, pursuant to an effective registration statement under the

Securities Act of 1933 as amended, or any successor, federal statute, rules and regulations thereunder of common stock of tenant having an aggregate offering value (net of underwriter's discounts and selling commissions) of at least Four Hundred Million Dollars, following which at least fifty percent (50%) of the total stock of Tenant on a fully diluted basis, will have been sold to the public and will be listed on a national securities exchange or quoted on the NASDAQ Stock Market System. For purposes hereof the term "fully diluted basis" means as of any date of determination, with respect to all stock of Tenant, all issued and outstanding stock, and all stock issuable upon the exercise of any outstanding option, warrant or other right to subscribe for, purchase, or acquire stock of Tenant as of such date whether or not at the time any such options, warrants or other rights are exercisable.

6. Limitation on Reductions. The reductions in the amount of the Security Deposit as provided in Section 2, 4 and 5 are not intended to be cumulative and although Tenant may qualify for a reduction pursuant to more than one of such paragraphs, the amount of the reduction shall be limited as provided in the paragraph allowing for the greatest amount of reduction. In no event shall the amount of the Security Deposit be reduced to an amount less than Five Hundred Thirty-Two Thousand Four Hundred Twenty-Two Dollars ($532,422).

7. No Subsequent Increases. In the event of any reduction in the amount of the Security Deposit in accordance with one or more of the provisions of Sections 2, 4 or 5 above in no event thereafter shall the amount of the Security Deposit thereafter be increased.

8. Ratification; Definitions. Except as expressly amended hereby, all terms and provisions of the Lease shall remain in full force and effect and are hereby ratified and reaffirmed. Except as expressly defined herein, the defined terms employed in this First Amendment shall have the same meaning as ascribed to such terms in the Lease.

9. Counterparts. This First Amendment may be executed by the parties hereto in two or more counterparts, each of which executed counterparts shall be considered an original and together shall constitute one and the same document. It shall not be necessary that each party execute each counterpart, or that any one counterpart be executed by more than one party, so long as each party executes at least one counterpart.

10. Electronic Execution. This First Amendment may be executed by facsimile, PDF or by other electronic means of communication.

11. Entire Agreement. This First Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements other than the Lease as hereby amended by the First Amendment.

12. Inurement. This First Amendment shall be binding upon and shall inure to the benefit of the parties and their respective beneficiaries, legal representatives, heirs, successors and assigns.

13. Conflicts. In the event of a conflict between the terms and provisions of this First Amendment and the terms and provisions of the Lease, the terms and provisions of this First Amendment shall control.

IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the day and year first above written.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (the "**Second Amendment**") is entered into as of January 14, 2016 by and between Six Thirty-Four Second Street, LLC, a Delaware limited liability company ("**Landlord**") and OKTA Inc., a Delaware corporation ("**Tenant**"), with reference to the following facts:

A. Pursuant to the provisions of that certain Agreement of Lease dated as of December 11, 2014 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated as of April 28, 2015 (the "**First Amendment**," and the Original Lease, as amended by the First Amendment, being referred to herein as the "**Lease**"), Tenant leases from Landlord, and Landlord leases to Tenant certain premises consisting of 45,652 rentable square feet located in the building at 634 Second Street, San Francisco, California (the "**Building**").

B. Landlord and Tenant wish to amend the Lease to clarify certain provisions thereof regarding the Commencement Date.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Lease Commencement Date: Lease Expiration Date. Notwithstanding the provisions of Paragraph 2 of the Original Lease, Landlord and Tenant agree that the Lease Commencement Date shall be October 15, 2015, and the Lease Expiration Date shall be September 30, 2024.

2. Ratification: Definitions. Except as expressly amended hereby, all terms and provisions of the Lease shall remain in full force and effect and are hereby ratified and reaffirmed. Except as expressly defined herein, the defined terms employed in this Second Amendment shall have the same meaning as ascribed to such terms in the Lease.

3. Counterparts. This Second Amendment may be executed by the parties hereto in two or more counterparts, each of which executed counterparts shall be considered an original and together shall constitute one and the same document. It shall not be necessary that each party execute each counterpart, or that any one counterpart be executed by more than one party, so long as each party executes at least one counterpart.

4. Electronic Execution. This Second Amendment may be executed by facsimile, PDF or by other electronic means of communication.

5. Entire Agreement. This Second Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements other than the Lease as hereby amended by the Second Amendment.

6. Inurement. This Second Amendment shall be binding upon and shall inure to the benefit of the parties and their respective beneficiaries, legal representatives, heirs, successors and assigns.

7. Conflicts. In the event of a conflict between the terms and provisions of this Second Amendment and the terms and provisions of the Lease, the terms and provisions of this Second Amendment-shall control.

IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the day and year first above written.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (the "**Third Amendment**") is made and entered into as of June 24, 2016 by and between Six Thirty Four Second Street, LLC, a Delaware limited liability company ("**Landlord**") and Okta, Inc., a Delaware corporation ("**Tenant**").

RECITALS

This Third Amendment is made with respect to the following facts and circumstances:

A. Landlord and Tenant entered into that certain Agreement of Lease dated December 11, 2014 (the "**Initial Lease**") as thereafter amended by that certain First Amendment to Lease dated April 28, 2015 and as thereafter amended by that certain Second Amendment to Lease dated January 14, 2016 by and between Landlord and Tenant (collectively with the Initial Lease, the "**Lease**") whereby Tenant is leasing from Landlord and Landlord is leasing to Tenant certain premises located at 634 Second Street, San Francisco, California (the "**Building**") (the "**Premises**").

B. Tenant intends to proceed to reopen the sky bridge between the Building and the building located at 301 Brannan Street, San Francisco, California (the "**Sky Bridge**" and such building, "**Brannan Street**") as contemplated pursuant to the provisions of Section 49 of the Initial Lease. Landlord and Tenant desire to clarify and further define the obligations of Tenant with respect to the reopening of the Sky Bridge.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Recitals. The above Recitals are incorporated herein by this reference.

2. Sky Bridge Modifications. Landlord and Tenant hereby agree that the alterations to the Premises required or otherwise to be performed in connection with the opening of the Sky Bridge shall constitute Changes pursuant to the provisions of Sections 14.1 of the Initial Lease and except as otherwise provided in this Third Amendment, such Changes shall be subject to all of the provisions of Section 14 of the Initial Lease applicable to Changes. The Changes made in connection with the opening of the Sky Bridge shall sometimes collectively be referred to as the "**Sky Bridge Changes**".

3. Limitations. In no event shall the Sky Bridge Changes to be made or proposed to be made in connection with opening the Sky Bridge impair or weaken the structural strength or integrity of the Building or result, without the consent of Landlord in its discretion, in an increase in premiums for insurance carried by Landlord with respect to the Building. In the event of any such increase as approved by Landlord in its discretion, Tenant shall be responsible for the entire cost of any such increased premiums, which cost shall be paid by Tenant as additional rent pursuant to the Lease within thirty (30) days following delivery by Landlord to Tenant of a written invoice for the additional cost.

4. Restoration. Upon surrender of the Premises or earlier termination of the Lease Tenant shall be obligated to remove the Sky Bridge Changes and to restore the Premises to its

condition prior to making the Sky Bridge changes, reasonable wear and tear excepted, all of which removal and restoration shall be made at the sole cost of Tenant. If Tenant fails to complete the removal and restoration prior to expiration of the Term or earlier termination of this Lease, Landlord may complete such removal and restoration and charge the cost of such removal and restoration to Tenant. Notwithstanding the above provision of this Section 4 to the contrary. Tenant may at any time, no earlier than ninety (90) days prior to the expiration of the Term, give written notice to Landlord ("**Removal Notice**") requesting that Landlord agree that Tenant need not remove the Sky Bridge Changes and restore the Premises upon expiration of the Term of the Lease and surrender of the Premises by Tenant. The agreement of Landlord to any request made by Tenant pursuant to Removal Notice may be withheld or given in Landlord's sole and absolute discretion, but in any event Landlord will respond within thirty (30) days, and any delay beyond such thirty (30) day period on the part of Landlord in responding will delay the outside date for Tenant's completion of such work on a day-for-day basis. In connection with Landlord's response to any Removal Notice, Landlord may require that components of the Sky Bridge Changes be removed with related restoration and that other components of the Sky Bridge Changes remain. Unless Landlord in a written response to Tenant to any Removal Notice has agreed in writing that the Sky Bridge Changes (or any component thereof) need not be removed by Tenant, Tenant shall be obligated, at its sole cost, to remove the Sky Bridge Changes and restore the Premises prior to expiration of the Term. If and to the extent that Landlord responds to a Renewal Notice that all or any portion of the Sky Bridge will not be required to be removed, Tenant will be forever released from any requirement to remove the Sky Bridge Changes which Landlord has specifically agreed in writing need not be removed and Tenant shall continue to be obligated to remove all other Sky Bridge Changes and to restore the Premises.

5. Costs. Consistent with the provisions relating to Changes pursuant to Section 14 of the Lease, Tenant shall be responsible for any and all costs of any kind whatsoever arising out of or relating to the Sky Bridge Changes including, without limitation, all costs of construction, all fees and costs relating to governmental approvals, the cost of all consultants, including, without limitation, the reasonable cost of third party consultants and attorneys reasonably engaged by Landlord in connection with the Sky Bridge Changes, and all other costs relating to or arising from the Sky Bridge Changes. In connection therewith, if and to the extent that Landlord intends to retain a third party consultant to review any Sky Bridge Changes and/or incur any other material costs relating to or arising from the Sky Bridge Changes, Landlord will notify Tenant in advance, and, to the extent reasonably possible, keep Tenant apprised of the anticipated cost of same.

6. Further Limitations. It is acknowledged and agreed that although the entry to the Sky Bridge from the Building constitutes a portion of the Premises and Building, the Sky Bridge between the Building and Brannan Street does not constitute a portion of the Premises or the Building and Landlord has no responsibility whatsoever for the Sky Bridge including, without limitation, any responsibility for or obligation with respect to (i) the structural integrity of the Sky Bridge, (ii) any costs relating to the Sky Bridge including, without limitation, any maintenance or repair costs, (iii) compliance with applicable law, (iv) the provision of any insurance coverage, (v) the habitability, suitability or feasibility for the use intended by Tenant, (vi) any utilities or services with respect to the Sky Bridge, and (vii) any and all other matters arising out of or relating to the Sky Bridge. Without limiting the generality of the above, and notwithstanding that the Sky Bridge does not constitute a portion of the Building or Premises, the

provisions of Section 19.1 of the Initial Lease shall be applicable with respect to the Sky Bridge and the indemnity obligations of Tenant as provided in Section 19.1 shall apply with respect to matters relating to the Sky Bridge. Further, Tenant shall be solely responsible for obtaining any and all required consents of the owner of Brannan Street to the opening of the Sky Bridge, and the other matters as contemplated by this Third Amendment and Landlord shall have no responsibility for obtaining any such consents as may be required. Notwithstanding any provision of this Third Amendment to the contrary, Tenant shall not be entitled to proceed with the Sky Bridge Changes until and unless any and all consents of the owner of Brannan Street to the opening of the Sky Bridge as contemplated by this Third Amendment have been obtained, and evidence of such consents in a form reasonably acceptable to Landlord has been delivered to Landlord. In no event shall any consent from the owner of Brannan Street be inconsistent with the provisions of this Third Amendment including, without limitation, the limitation on the obligations of Landlord as provided herein with respect to the Sky Bridge or purport to impose any obligations on Landlord.

7. Ratification: Definitions. Except as expressly amended hereby, all terms and provisions of the Lease shall remain in full force and effect and are hereby ratified and reaffirmed. Except as express Ly defined herein, the defined terms employed in this Third Amendment shall have the same meaning as ascribed to such terms in the Lease.

8. Counterparts. This Third Amendment may be executed by the parties hereto in two or more counterparts, each of which executed counterparts shall be considered an original and together shall constitute one and the same document. It shall not be necessary that each party execute each counterpart, or that any one counterpart be executed by more than one party, so long as each party executes at least one counterpart.

9. Electronic Execution. This Third Amendment may be executed by facsimile, PDF or by other electronic means of communication.

10. Entire Agreement. This Third Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements other titan the Lease as hereby amended by the Third Amendment.

11. Inurement. This Third Amendment shall be binding upon and shall inure to the benefit of the parties and their respective beneficiaries, legal representatives, heirs, successors and assigns.

12. Conflicts. In the event of a conflict between the terms and provisions of this Third Amendment and the terms and provisions of the Lease, the terms and provisions of this Third Amendment shall control.

13. Controlling Law. This Third Amendment will be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed and delivered this Third Amendment as of the day and year first above written.

LANDLORD:

Six Thirty-Four Second Street LLC,
a Delaware limited liability company

By: /s/ Bayard R. Kraft III
Name: Bayard R. Kraft III
Its: Authorized Agent

TENANT:

OKTA, Inc.
a Delaware corporation

By: /s/ William E. Losch
Name: William E. Losch
Its: CFO

OKTA, INC.
SENIOR EXECUTIVE CASH INCENTIVE BONUS PLAN

1. Purpose

This Senior Executive Cash Incentive Bonus Plan (the "***Incentive Plan***") is intended to provide an incentive for superior work and to motivate eligible executives of Okta, Inc. (the "***Company***") and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Incentive Plan is for the benefit of Covered Executives (as defined below).

2. Covered Executives

From time to time, the Compensation Committee of the Board of Directors of the Company (the "***Compensation Committee***") may select certain key executives (the "***Covered Executives***") to be eligible to receive bonuses hereunder. Participation in this Plan does not change the "at will" nature of a Covered Executive's employment with the Company.

3. Administration

The Compensation Committee shall have the sole discretion and authority to administer and interpret the Incentive Plan.

4. Bonus Determinations

(a) Corporate Performance Goals. A Covered Executive may receive a bonus payment under the Incentive Plan based upon the attainment of one or more performance objectives that are established by the Compensation Committee and relate to financial and operational metrics with respect to the Company or any of its subsidiaries (the "***Corporate Performance Goals***"), including, without limitation, the following: bookings, total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, sales or market shares, number of customers, retention rate and renewal rate, any of which may be (A) measured in absolute terms or compared to any incremental increase, (B) measured in terms of growth, (C) compared to another company or companies or to results of a peer group, (D) measured against the market as a whole and/or as compared to applicable market indices and/or (E) measured on a pre-tax or post-tax basis (if applicable). Further, any Corporate Performance Goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets. The Corporate Performance Goals may differ from Covered Executive to Covered Executive. The actual bonus

payment for any Covered Executive shall be determined in the discretion of the Compensation Committee, based on achievement of the Corporate Performance Goals and such other factors as the committee determines to be relevant.

(b) Calculation of Corporate Performance Goals. At the beginning of each applicable performance period, the Compensation Committee will determine whether any significant element(s) will be included in or excluded from the calculation of any Corporate Performance Goal with respect to any Covered Executive. In all other respects, Corporate Performance Goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Compensation Committee at the beginning of the performance period and which is consistently applied with respect to a Corporate Performance Goal in the relevant performance period.

(c) Target; Minimum; Maximum. Each Corporate Performance Goal shall have a "target" (100 percent attainment of the Corporate Performance Goal) and may also have a "minimum" hurdle and/or a "maximum" amount.

(d) Bonus Requirements; Individual Goals. Except as otherwise set forth in this Section 4(d): (i) any bonuses paid to Covered Executives under the Incentive Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Corporate Performance Goals, (ii) bonus formulas for Covered Executives shall be adopted in each performance period by the Compensation Committee and communicated to each Covered Executive at the beginning of each performance period and (iii) no bonuses shall be paid to Covered Executives unless and until the Compensation Committee makes a determination with respect to the attainment of the performance targets relating to the Corporate Performance Goals. Notwithstanding the foregoing, the Compensation Committee may adjust bonuses payable under the Incentive Plan based on achievement of one or more individual performance objectives or pay bonuses (including, without limitation, discretionary bonuses) to Covered Executives under the Incentive Plan based on individual performance goals and/or upon such other terms and conditions as the Compensation Committee may in its discretion determine.

(e) Individual Target Bonuses. The Compensation Committee shall establish a target bonus opportunity for each Covered Executive for each performance period. For each Covered Executive, the Compensation Committee shall have the authority to apportion the target award so that a portion of the target award shall be tied to attainment of Corporate Performance Goals and a portion of the target award shall be tied to attainment of individual performance objectives.

(f) Employment Requirement. Subject to any additional terms contained in a written agreement between the Covered Executive and the Company, the payment of a bonus to a Covered Executive with respect to a performance period shall be conditioned upon the Covered Executive's employment by the Company on the bonus payment date. If a Covered Executive was not employed for an entire performance period, the Compensation Committee may pro rate the bonus based on the number of days employed during such period.

5. Timing of Payment

(a) With respect to Corporate Performance Goals established and measured on a basis more frequently than annually (e.g., quarterly or semi-annually), the Corporate Performance Goals will be measured at the end of each performance period after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for such period are met, payments will be made as soon as practicable following the end of such period, but not later 74 days after the end of the fiscal year in which such performance period ends.

(b) With respect to Corporate Performance Goals established and measured on an annual or multi-year basis, Corporate Performance Goals will be measured as of the end of each such performance period (e.g., the end of each fiscal year) after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for any such period are met, bonus payments will be made as soon as practicable, but not later than 74 days after the end of the relevant fiscal year.

(c) For the avoidance of doubt, bonuses earned at any time in a fiscal year must be paid no later than 74 days after the last day of such fiscal year.

6. Amendment and Termination

The Company reserves the right to amend or terminate the Incentive Plan at any time in its sole discretion.

OKTA, INC.

EXECUTIVE SEVERANCE PLAN

1. Purpose. Okta, Inc. (the "Company") considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel. The Board of Directors of the Company (the "Board") recognizes, however, that, as is the case with many publicly held corporations, the possibility of an involuntary termination of employment, either before or after a Change in Control (as defined in Section 2 hereof), exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders. Therefore, the Board has determined that the Okta, Inc. Executive Severance Plan (the "Plan") should be adopted to reinforce and encourage the continued attention and dedication of the Company's Covered Executives to their assigned duties without distraction. Nothing in this Plan shall be construed as creating an express or implied contract of employment and nothing shall alter the "at will" nature of the Covered Executives' employment with the Company.

2. Definitions. The following terms shall be defined as set forth below:

(a) "*Accounting Firm*" shall mean a nationally recognized accounting firm selected by the Company.

(b) "*Administrator*" means the Board or a committee thereof.

(c) "*Base Salary*" shall mean the higher of the Covered Executive's (i) annual base salary in effect immediately prior to the Date of Termination or (ii) annual base salary in effect for the fiscal year immediately prior to the fiscal year in which the Date of Termination occurs.

(d) "*Cause*" shall mean, and shall be limited to, the occurrence of any one or more of the following events:

(i) willful conduct by the Covered Executive constituting a material and gross act of misconduct in connection with the performance of his or her duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes;

(ii) a conviction of, or plea of guilty or no contest to, any felony or any crime involving moral turpitude, deceit, dishonesty or fraud, or any conduct by the Covered Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if he or she were retained in his or her position;

(iii) continued and willful non-performance by the Covered Executive of his or her duties to the Company (other than by reason of the Covered Executive's physical or mental illness, incapacity or disability) which has continued for 30 days following written notice of such non-performance from the Company;

(iv) a willful breach by the Covered Executive of any of the material provisions contained in the Proprietary Information and Inventions Agreement entered into between the Covered Executive and the Company or any other confidentiality, invention assignment or similar agreement with the Company;

(v) continued and willful violation by the Covered Executive of one of the Company's material written employment policies that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if he or she were retained in his or her position; or

(vi) the Covered Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the Covered Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(e) "*Change in Control*" shall mean a Sale Event, as defined in the Okta, Inc. 2017 Equity Incentive Plan.

(f) "*Change in Control Period*" shall mean the period beginning 3 months prior to the date of a Change in Control and ending on the later of (a) 12 months after the date of a Change in Control or (b) July 30, 2018.

(g) "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

(h) "*Covered Executives*" shall mean the Company's Chief Executive Officer and those other executives or individuals designated by the Board in its discretion who meet the eligibility requirements set forth in Section 4 of this Plan.

(i) "*Date of Termination*" shall mean the date that a Covered Executive's employment, in any and all capacities, with the Company (or any successor) ends, which date shall be specified in the Notice of Termination. Notwithstanding the foregoing, a Covered Executive's employment shall not be deemed to have been terminated solely as a result of the Covered Executive becoming an employee of any direct or indirect successor to the business or assets of the Company.

(j) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(k) "*Good Reason*" shall mean that the Covered Executive has complied with the "Good Reason Process" following the occurrence of any of the following events:

(i) a material diminution in the Covered Executive's position, responsibilities, authority or duties;

(ii) a reduction in the Covered Executive's base salary by more than 10% except for across-the-board salary reductions similarly affecting all or substantially all management employees;

(iii) the relocation of the Company office at which the Covered Executive is principally employed to a location more than 30 miles from such office; or

(iv) the failure of any successor to the Company to assume and agree to be bound by the terms and conditions of this Plan with respect to the applicable Covered Executive.

For purposes of Section 2(j)(i), a change in the reporting relationship or a change in a title will not, by itself, be sufficient to constitute a material diminution of responsibilities, authority or duty.

(l) "*Good Reason Process*" shall mean:

(i) the Covered Executive reasonably determines in good faith that a "Good Reason" condition has occurred;

(ii) the Covered Executive notifies the Company or its successor in writing of the occurrence of the Good Reason condition within 30 days of the occurrence of such condition;

(iii) the Covered Executive cooperates in good faith with the Company's or its successor's efforts, for a period of 30 days following such notice (the "Cure Period"), to remedy the condition;

(iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and

(v) the Covered Executive terminates his or her employment and provides the Company or its successor with a Notice of Termination with respect to such termination, each within 12 months after the end of the Cure Period.

If the Company or the successor cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(m) "*Initial Public Offering*" means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale by the Company of its equity securities, as a result of or following which the Company's stock shall be publicly held.

(n) "*Notice of Termination*" shall mean a written notice which shall indicate the specific termination provision in this Plan relied upon for the termination of a Covered Executive's employment and the Date of Termination.

(o) "*Participation Agreement*" shall mean an agreement between a Covered Executive and the Company that acknowledges the Covered Executive's participation in the Plan.

(p) "*Section 16 Officer*" shall mean "officer" as defined under Section 16 of the Exchange Act.

3. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have all powers necessary to enable it properly to carry out its duties with respect to the complete control of the administration of the Plan. Not in limitation, but in amplification of the foregoing, the Administrator shall have the power and authority in its discretion to:

(i) construe the Plan to determine all questions that shall arise as to interpretations of the Plan's provisions, including, but not limited to, determination of which individuals are Covered Executives, the benefits to which any Covered Executives may be entitled, the eligibility requirements for participation in the Plan and all other matters pertaining to the Plan;

(ii) adopt amendments to the Plan which are deemed necessary or desirable to comply with all applicable laws and regulations, including but not limited to Code Section 409A and the guidance thereunder;

(iii) make all determinations it deems advisable for the administration of the Plan, including the authority and ability to delegate administrative functions to a third party;

(iv) decide all disputes arising in connection with the Plan; and

(v) otherwise supervise the administration of the Plan.

(c) All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Covered Executives.

4. Eligibility. All Covered Executives who have executed and submitted to the Company a Participation Agreement, and satisfied such other requirements as may be determined by the Administrator, are eligible to participate in the Plan.

5. Termination Benefits Generally. In the event a Covered Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Covered Executive any earned but unpaid salary, unpaid expense reimbursements and accrued but unused leave entitlement, if applicable (collectively, the "Accrued Benefits"), within the time required by law but in no event more than 30 days after the Date of Termination.

6. Termination Not in Connection with a Change in Control. In the event the employment of a Covered Executive is terminated (i) by the Company for any reason other than by reason of death, disability, or for Cause, or (b) by the Covered Executive for Good Reason, and, in each case, such termination occurs outside of the Change in Control Period, then with respect to such Covered Executive, in addition to the Accrued Benefits, subject to his or her execution of a separation agreement containing, among other provisions, an effective general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement, in a form and manner satisfactory to the Company by the Covered Executive and the expiration of any revocation period with respect thereto within 30 days of the Date of Termination (the "Release Requirement"), the Company shall:

(a) pay the Covered Executive a single lump sum cash amount equal to twelve months' Base Salary for the Company's Chief Executive, nine months' Base Salary for Section 16 Officers, and six months' Base Salary for each other Covered Executive. Such amount shall be paid as soon as reasonably practicable, but not later than 60 days after the Date of Termination occurs; and

(b) if the Covered Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then for a period of twelve months for the Company's Chief Executive Officer, nine months for Section 16 Officers, and six months for each other Covered Executive following the date of termination, or until the Covered Executive becomes covered under a group health plan of another employer, whichever is earlier (the "COBRA Coverage Period"), the Company shall provide the Covered Executive, at the Company's sole expense, continued medical, dental and vision insurance benefit coverage in accordance with the provisions of COBRA, provided that the Covered Executive timely executes all necessary COBRA election documentation and remains eligible for COBRA coverage. After the Covered Executive's COBRA Coverage Period, if the Covered Executive wishes to continue such COBRA coverage and is eligible therefor, the Covered Executive will be required to pay all requisite premiums for such continued coverage.

7. Termination in Connection with a Change in Control. In the event the employment of a Covered Executive is terminated (i) by the Company for any reason other than by reason of death, disability, or for Cause or (ii) by the Covered Executive for Good Reason, and, in each case, such termination occurs during the Change in Control Period, then with respect to such Covered Executive, in addition to the Accrued Benefits, subject to his or her satisfaction of the Release Requirement, the Company shall:

(a) cause 100% of the outstanding and unvested equity awards held by the Covered Executive to immediately become fully exercisable and vested as of the Date of Termination (or the date of the Change in Control, if later); provided, that the performance conditions applicable to any stock-based awards subject to performance conditions will be deemed satisfied at the higher of the target level specified in the terms of the applicable award agreement or actual achievement.

(b) pay the Covered Executive a single lump sum cash amount equal to 18 months' Base Salary for the Company's Chief Executive Officer, 12 months' Base Salary for Section 16 Officers, and 9 months' Base Salary for each other Covered Executive. Such amount shall be paid as soon as reasonably practicable, but not later than 60 days after the Date of Termination occurs;

(c) if the Covered Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then for a period of eighteen months for the Company's Chief Executive Officer, twelve months for Section 16 Officers, and nine months for each other Covered Executive following the date of termination, or until the Covered Executive becomes covered under a group health plan of another employer, whichever is earlier (the "CiC COBRA Coverage Period"), the Company shall provide the Covered Executive, at the Company's sole expense, continued medical, dental and vision insurance benefit coverage in accordance with the provisions of COBRA, provided that the Covered Executive timely executes all necessary COBRA election documentation and remains eligible for COBRA coverage. After the Covered Executive's CiC COBRA Coverage Period, if the Covered Executive wishes to continue such COBRA coverage and is eligible therefor, the Covered Executive will be required to pay all requisite premiums for such continued coverage; and

(d) pay the Covered Executive a single lump sum cash amount equal to the Covered Executive's annual target bonus in effect as of the Date of Termination.

For the avoidance of doubt, the severance pay and benefits provided in this Section 7 shall apply in lieu of, and expressly supersede, the provisions of Section 6 and no Covered Executive shall be entitled to the severance pay and benefits under both Section 6 and 7 hereof.

8. Additional Limitation.

(a) Anything in this Plan to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Covered Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Covered Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Covered Executive receiving a higher After Tax Amount (as defined below) than the Covered Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(b) For purposes of this Section 8, the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise, employment and social security taxes imposed on the Covered Executive as a result of the Covered Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Covered Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes and social security at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(c) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 8(a) shall be made by the Accounting Firm, which shall provide detailed supporting calculations both to the Company and the Covered Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Covered Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Covered Executive.

9. Proprietary Information and Inventions Agreement. As a condition to participating in the Plan, each Covered Executive shall continue to comply with the terms and conditions contained in the Proprietary Information and Inventions Agreement entered into between the Covered Executive and the Company. If a Covered Executive has not entered into a Proprietary Information and Inventions Agreement or similar agreement with the Company, he or she shall enter into such agreement prior to participating in the Plan.

10. Withholding. All payments made by the Company under this Plan shall be subject to any tax or other amounts required to be withheld by the Company under applicable law.

11. Section 409A.

(a) Anything in this Plan to the contrary notwithstanding, if at the time of the Covered Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Covered Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Covered Executive becomes entitled to under this Plan would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Covered Executive's separation from service, or (B) the Covered Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) The parties intend that this Plan will be administered in accordance with Section 409A of the Code and that all amounts payable hereunder shall be exempt from the requirements of such section as a result of being "short term deferrals" for purposes of Section 409A of the Code to the greatest extent possible. To the extent that any provision of this Plan is not exempt from Section 409A of the Code and ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner to comply with Section 409A of the Code. Each payment pursuant to this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Plan may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) To the extent that any payment or benefit described in this Plan constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Covered Executive's termination of employment, then such payments or benefits shall be payable only upon the Covered Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) All in-kind benefits provided and expenses eligible for reimbursement under this Plan shall be provided by the Company or incurred by the Covered Executive during the time periods set forth in this Plan. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(e) The Company makes no representation or warranty and shall have no liability to the Covered Executive or any other person if any provisions of this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

12. Notice and Date of Termination.

(a) Notice of Termination. A termination of the Covered Executive's employment shall be communicated by Notice of Termination from the Company to the Covered Executive or vice versa in accordance with this Section 12.

(b) Notice to Covered Executive or the Company. Any notices, requests, demands, and other communications provided for by this Plan shall be sufficient if in writing and delivered in person or sent by registered or certified mail, postage prepaid, to a Covered Executive at the last physical or email address the Covered Executive has filed in writing with the Company, or to the Company at the following physical or email address:

Okta, Inc.
Attention: General Counsel
301 Brannan Street, Suite 100
San Francisco, CA 94108
Legal@okta.com

13. No Mitigation. The Covered Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Covered Executive by the Company under this Plan.

14. Benefits and Burdens. This Plan shall inure to the benefit of and be binding upon the Company and the Covered Executives, their respective successors, executors, administrators, heirs and permitted assigns. In the event of a Covered Executive's death after a termination of employment but prior to the completion by the Company of all payments due to him or her under this Plan, the Company shall continue such payments to the Covered Executive's beneficiary designated in writing to the Company prior to his or her death (or to his or her estate, if the Covered Executive fails to make such designation).

15. Enforceability. If any portion or provision of this Plan shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Plan, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Plan shall be valid and enforceable to the fullest extent permitted by law.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Plan, or the waiver by any party of any breach of this Plan, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Non-Duplication of Benefits and Effect on Other Plans. Notwithstanding any other provision in the Plan to the contrary, the benefits provided hereunder shall be in lieu of any other severance payments and/or benefits provided by the Company, including any such payments and/or benefits pursuant to an employment agreement or offer letter between the Company and the Covered Executive.

18. No Contract of Employment. Nothing in this Plan shall be construed as giving any Covered Executive any right to be retained in the employ of the Company or shall affect the terms and conditions of a Covered Executive's employment with the Company.

19. Amendment or Termination of Plan. The Company may amend or terminate this Plan at any time or from time to time, but no such action shall adversely affect the rights of any Covered Executive without the Covered Executive's written consent.

20. Governing Law. This Plan shall be construed under and be governed in all respects by the laws of the State of Delaware.

21. Obligations of Successors. In addition to any obligations imposed by law upon any successor to the Company, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company shall expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. Effectiveness. This Plan shall be effective as of the date immediately prior to the Company's Initial Public Offering.

Exhibit 10.9

Okta, Inc.

Non-Employee Director Compensation Policy

The purpose of this Non-Employee Director Compensation Policy (the "Policy") of Okta, Inc., a Delaware corporation (the "Company"), is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiaries ("Outside Directors"). In furtherance of the purpose stated above, all Outside Directors shall be paid compensation for services provided to the Company as set forth below:

I. Cash Retainers

(a) Annual Retainer for Board Membership: $30,000 for general availability and participation in meetings and conference calls of the Company's Board of Directors (the "Board of Directors").

(b) Lead Independent Director: $20,000 per year for services as the Lead Independent Director of the Board of Directors.

(c) Additional Retainers for Committee Membership:

Audit Committee Chairperson:	$20,000
Audit Committee member:	$10,000
Compensation Committee Chairperson:	$15,000
Compensation Committee member:	$ 7,500
Nominating and Corporate Governance Committee Chairperson:	$ 8,000
Nominating and Corporate Governance Committee member:	$ 4,000

(d) Initial Cash Retainer. The initial cash retainer for the Company's 2018 fiscal year shall be paid out in quarterly cash payments commencing after the Company's Initial Public Offering (as defined in the Company's 2017 Equity Incentive Plan, as amended (the "2017 Plan")), provided, however, that the amount of the first quarterly cash payment shall be prorated based upon the period of time remaining in the Company's fiscal quarter in which the Initial Public Offering occurs.

(e) For purposes of clarity, all cash retainers for subsequent fiscal years shall be paid on a quarterly basis.

II. Equity Retainers

All grants of equity retainer awards to Outside Directors pursuant to this Policy will be automatic and nondiscretionary (without the need for any additional corporate action by the Board or the Compensation Committee) and will be made in accordance with the following provisions:

(a) Revisions. The Board of Directors or the Compensation Committee in its discretion may change and otherwise revise the terms of awards to be granted under this Policy, including, without limitation, the number of shares subject thereto, for awards of the same or different type granted on or after the date the Board of Directors or the Compensation Committee determines to make any such change or revision.

(b) Initial Equity Grant. Other than Outside Directors that are serving on the Board as of the Initial Public Offering, upon first being appointed to the Board, an Outside Director shall receive an initial grant of restricted stock units under the 2017 Plan having a Fair Market Value (as defined in the 2017 Plan) of $350,000 as of the date of grant. The restricted stock units subject to the initial equity grant shall vest in three equal annual installments on each anniversary of the date on which the Outside Director was appointed to the Board, subject to such director's continued service as a director through such vesting dates.

(c) Annual Equity Grant. Each Outside Director shall receive an annual equity grant of restricted stock units under the Company's 2017 Equity Incentive Plan having a Fair Market Value of $200,000 as of the date of grant. The restricted stock units shall vest in full on the earlier of (i) the first anniversary of the date of grant or (ii) the date before the next regular annual shareholders meeting, in either case subject to such director's continued service as a director through such vesting date. The first initial annual equity grant shall be made upon the Initial Public Offering. All subsequent annual equity grants shall be made to Outside Directors who are elected/re-elected at the Company's annual shareholders meeting on the date of such annual meeting.

(d) Acceleration. All restricted stock units granted pursuant to this Policy shall vest in full immediately prior to, but conditioned upon, the closing of a Sale Event (as defined in the 2017 Plan).

III. Expenses

The Company will reimburse all reasonable out-of-pocket expenses incurred by Outside Directors in attending meetings of the Board or any Committee thereof.

ADOPTED: February 22, 2017

Exhibit 10.10

[DATE]

[NAME]
[ADDRESS]
[ADDRESS]

Re: Confirmatory Offer of Employment

Dear [_____]:

As you know, Okta, Inc. (the "Company") previously entered into an offer letter with you on [_____] (the "Offer Letter"). This letter amends and restates the Offer Letter in its entirety, effective as of the date hereof, as follows:

Title and Position

The Company is pleased to offer you continued employment in your full-time exempt employment as [TITLE], reporting directly to [_____].

Cash Compensation and Benefits

You will continue to receive an annual salary of $[_____], which will be paid bi-weekly, less applicable payroll deductions and tax withholdings. In addition to your base salary, you will be eligible to earn an annual target bonus opportunity of [____]% of your base salary based on factors determined by the Company. You will also continue to be eligible to receive all employee benefits to which our senior-most Company executives are entitled, including health insurance and paid vacation time. The Company may change compensation and benefits at its discretion from time to time, however, your benefits shall not be modified unless they are similarly modified for all other executive officers.

Equity Compensation

The Company acknowledges that it has previously issued equity awards to you under the 2009 Stock Plan. Such awards will continue to be subject to their existing terms and any additional terms set forth in this letter.

Severance Protection

If your employment is terminated (a) by the Company other than by reason of death, disability or for Cause (as defined below), or (b) by you for Good Reason (as defined below), then, subject to your execution and non-revocation of an effective release of claims in favor of the Company and its affiliates (or its successors) in a form reasonably acceptable to the Company (the "Release"), (i) the Company will pay you a lump sum cash amount equal to [_____] months of your base salary in effect immediately prior to the termination of your employment, payable as soon as reasonably practicable, but not later than 60 days after the date

of termination, and (ii) for a period of [_____] months following the date of termination, or until you become covered under a group health plan of another employer, whichever is earlier (the "COBRA Coverage Period"), the Company shall provide you, at the Company's sole expense, continued medical, dental and vision insurance benefit coverage in accordance with the provisions of COBRA, provided that you timely execute all necessary COBRA election documentation and remain eligible for COBRA coverage. After your COBRA Coverage Period, if you wish to continue such COBRA coverage and are eligible therefor, you will be required to pay all requisite premiums for such continued coverage.

Change in Control Severance Protection

If a Change in Control (as defined below) of the Company occurs and your employment is terminated (a) by the Company other than by reason of death, disability or for Cause, or (b) by you for Good Reason, in each case within the period beginning three months prior to the Change in Control and ending on the later of (I) 12 months after the date of a Change in Control or (II) July 30, 2018, then, in lieu of any benefits described in the preceding paragraph and subject to your execution and non-revocation of the Release, (i) the Company will pay you a lump sum cash amount equal to [_____] months of your base salary in effect immediately prior to the termination of your employment plus 100% of your annual target bonus amount then in effect, payable as soon as reasonably practicable, but not later than 60 days after the date of termination, (ii) 100% of your then outstanding and unvested equity awards shall immediately become fully vested and exercisable as of the termination date (or the Change in Control, if later), and (iii) for a period of [_____] months following the date of termination, or until you become covered under a group health plan of another employer, whichever is earlier (the "Change in Control COBRA Coverage Period"), the Company shall provide you, at the Company's sole expense, continued medical, dental and vision insurance benefit coverage in accordance with the provisions of COBRA, provided that you timely execute all necessary COBRA election documentation and remain eligible for COBRA coverage. After your Change in Control COBRA Coverage Period, if you wish to continue such COBRA coverage and are eligible therefor, you will be required to pay all requisite premiums for such continued coverage.

Definitions

"Cause" shall mean, and shall be limited to, the occurrence of any one or more of the following events: (i) willful conduct by you constituting a material and gross act of misconduct in connection with the performance of your duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) a conviction of, or plea of guilty or no contest to, any felony or any crime involving moral turpitude, deceit, dishonesty or fraud, or any conduct by you that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if you were retained in your position; (iii) continued and willful non-performance by you of your duties to the Company (other than by reason of your physical or mental illness, incapacity or disability) which has continued for 30 days following written notice of such non-performance from the Company; (iv) a willful breach by you of any of the material provisions contained in the Proprietary Information and Inventions Agreement entered into between you

and the Company or any other confidentiality, invention assignment or similar agreement with the Company; (v) continued and willful violation by you of one of the Company's material written employment policies that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if you were retained in your position; or (vi) your willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or your willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

"*Change in Control*" shall mean (i) the sale, disposition, or exclusive license of all or substantially all of the assets of the Company on a consolidated basis to a non-affiliated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and aggregate outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and aggregate outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the stock of the Company to a non-affiliated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Good Reason*" shall mean that you have complied with the "Good Reason Process" following the occurrence of any of the following events: (i) a material diminution in your position, responsibilities, authority or duties; (ii) a reduction in your base salary by more than 10% except for across-the-board salary reductions similarly affecting all or substantially all management employees; (iii) the relocation of the Company office at which you are principally employed to a location more than 30 miles from such office; or (iv) the failure of any successor to the Company to assume and agree to be bound by the terms and conditions of this agreement.

"*Good Reason Process*" shall mean (i) you reasonably determine in good faith that a "Good Reason" condition has occurred; (ii) you notify the Company or its successor in writing of the occurrence of the Good Reason condition within 30 days of the occurrence of such condition; (iii) you cooperate in good faith with the Company's or its successor's efforts, for a period of 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and (v) you terminate your employment and provide the Company or its successor with a Notice of Termination with respect to such termination, each within 12 months after the end of the Cure Period. If the Company or its successor cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred in that instance.

Tax Matters

Withholding. All forms of compensation referred to in this letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

Tax Advice. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

Section 409A. For purposes of this letter, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your separation from service from the Company or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. Payments pursuant to this letter are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

Section 280G. Anything in this letter to the contrary notwithstanding, in the event that the amount of any compensation, payment, acceleration, benefit or distribution by the Company to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this letter or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount (as defined below), provided, however, that if the after-tax amount you would receive if there were no reduction pursuant to this paragraph (including any federal, state and local taxes) exceeds the after-tax amount you would receive if the Severance Payments were reduced below the Threshold Amount, the Severance Payments shall no longer be so reduced. In the event Severance Payments are required to be reduced, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. For purposes of this letter, "Threshold Amount" shall mean three times your "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00).

Consent to Jurisdiction.

To the extent that any court action is permitted consistent with or to enforce this letter, the parties hereby consent to the jurisdiction of the Superior Court of California and the United States District Court for the Northern District of California. Accordingly, with respect to any

such court action, you (a) submit to the personal jurisdiction of such courts; (b) consent to service of process; and (c) waive any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

Miscellaneous

By signing this letter, you reaffirm the terms and conditions of the Proprietary Information and Inventions Agreement ("PIIA") which you signed when you joined the Company. Additionally, in your work for the Company, we do not want you to use or disclose any confidential, proprietary, or trade-secret information of any former employer or other person to whom you owe an obligation of confidentiality. Likewise, as an employee of the Company, you may learn about confidential, proprietary, or trade-secret information related to the Company and its clients that you must not share with anyone outside of the Company.

You understand that nothing in this letter or in your PIIA will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this letter, you understands that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the PIIA to any parties other than the relevant government agencies. You further understand that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this letter.

As a Company employee, you will be expected to follow the Company's written policies. Your employment with the Company is at-will. This means that you may terminate your employment with the Company at any time and for any reason simply by notifying us. Likewise, the Company may terminate your employment at any time and for any reason with no advance notice. For purposes of clarity, the provisions under the "*Tax Matters*," "*Consent to Jurisdiction*," and "*Miscellaneous*" sections in this letter survive any termination of your employment.

This letter (together with the PIIA) is the complete and exclusive statement of all the terms and conditions of your employment with the Company, and supersedes any prior agreements or representations with regard to your employment. It is entered into without reliance on any promise or representation other than those expressly contained in this letter, and (except for changes explicitly reserved to the Company's discretion herein) cannot be modified or amended except in a writing signed by you and a duly authorized officer of the Company; provided, however, that the severance protection provided above in the "*Severance Protection*" and "*Change in Control Severance Protection*" sections in this letter shall terminate upon the first to occur of (i) the Company's adoption and implementation of an Executive Severance Plan,

in which case your severance shall be automatically superseded and replaced by the terms of the Executive Severance Plan, or (ii) December 31, 2017, in which case your severance protection shall revert to what you had in place, if at all, prior to the effectiveness of this letter; provided, however, that if any severance rights have been triggered hereunder prior to such date, this letter shall survive until all such payments and benefits have been made and/or provided.

This letter is governed by the laws of California without regard to its conflict-of-laws provisions.

If any portion or provision of this letter (including, without limitation, any portion or provision of any section of this letter) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this letter, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this letter shall be valid and enforceable to the fullest extent permitted by law.

This letter may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

Sincerely,

Okta, Inc.

_____

By: _____

I understand that no employee of the Company has the authority to make any verbal statement or representation inconsistent with this written statement or enter into any written agreement for employment for any specified period of time, or that is otherwise contrary to the terms set forth herein.

Agreed upon and Accepted by:

_____

By: _____

Date: _____

Exhibit 10.11

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of March 10, 2014 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation ("**Bank**"), and **OKTA**, **INC.**, a Delaware corporation ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Revolving Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Bank shall make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the outstanding principal amount of all Advances, the accrued but unpaid interest thereon, and all other outstanding Obligations relating to the Revolving Line shall be immediately due and payable.

2.1.2 Growth Capital Term Loan.

(a) Availability. Bank shall make a growth capital term loan available to Borrower in two (2) tranches ("**Tranche A**" and "**Tranche B**"**;** each advance under Tranche A and Tranche B hereinafter referred to individually as a "**Growth Capital Term Loan Advance**" and collectively as "**Growth Capital Term Loan Advances**") not exceeding the Growth Capital Term Loan Amount. Subject to the satisfaction of the terms and conditions of this Agreement, (i) Tranche A will be available during the Tranche A Draw Period in multiple advances in the aggregate original principal amount not to exceed Seven Million Dollars ($7,000,000) (each advance under Tranche A hereinafter referred to individually as a "**Tranche A Advance**" and collectively as the "**Tranche A Advances**"), and (ii) provided that Borrower has achieved the Tranche B Advance Milestone, Tranche B will be available during the Tranche B Draw Period in multiple advances in the aggregate original principal amount not to exceed Three Million Dollars ($3,000,000) (each advance under Tranche B hereinafter referred to individually as a "**Tranche B Advance**" and collectively as the "**Tranche B Advances**")**.** Each Growth Capital Term Loan

Advance must be in an amount at least equal to the lesser of One Million Five Hundred Thousand Dollars ($1,500,000) or the amount that has not yet been drawn under Tranche A or Tranche B, as applicable. After repayment, no Growth Capital Term Loan Advance may be re-borrowed.

(b) Repayment.

(i) Interest-Only Period. For each Growth Capital Term Loan Advance, Borrower shall make monthly payments of accrued but unpaid interest only commencing on the first (1st) calendar day of the month immediately following the Funding Date of such Growth Capital Term Loan Advance and on the first (1st) calendar day of each month thereafter during the Interest-Only Period.

(ii) Principal and Interest Payments. Borrower shall make thirty (30) consecutive equal monthly installments of principal and accrued but unpaid interest with respect to the Growth Capital Term Loan Advances, commencing March 1, 2015 (the "**Conversion Date**") and continuing on the first (1st) day of each month thereafter (each, a "**Growth Capital Term Loan Payment**"), which would fully amortize the outstanding Growth Capital Term Loan Advances, as of the Conversion Date, over the Repayment Period. All unpaid principal and accrued and unpaid interest is due and payable in full on the Growth Capital Term Loan Maturity Date.

(c) Final Payment. With respect to each Growth Capital Term Loan Advance, on the earlier of (i) the date of the final Growth Capital Term Loan Payment for such Growth Capital Term Loan Advance, (ii) the acceleration of such Growth Capital Term Loan Advance pursuant to Section 9.1 hereof, or (iii) the Growth Capital Term Loan Maturity Date for such Growth Capital Term Loan Advance, Borrower shall pay, in addition to the outstanding principal, accrued and unpaid interest, and all other amounts due on such date with respect to such Growth Capital Term Loan Advance, an amount equal to the Final Payment.

(d) Prepayment.

(i) Voluntary Prepayment. At Borrower's option, so long as no Event of Default has occurred and is continuing, Borrower shall have the option to prepay all, but not less than all, of the outstanding Growth Capital Term Loan Advances, provided Borrower (i) shall provide written notice to Bank of its election to exercise to prepay the Growth Capital Term Loan Advances at least five (5) Business Days prior to such prepayment, and (ii) pays, on the date of the prepayment (A) all accrued and unpaid interest with respect to each Growth Capital Term Loan Advance through the date the prepayment is made; plus (B) all unpaid principal with respect to each Growth Capital Term Loan Advance; plus (C) the Final Payment; plus (D) the Make-Whole Premium; plus (E) all other sums, including Bank Expenses, if any, that shall have become due and payable with respect to the Growth Capital Term Loan Advances, including interest at the Default Rate with respect to any past due amounts. Notwithstanding the foregoing, Bank agrees to waive the Make-Whole Premium if Bank closes on the refinance and re-documentation of this Agreement itself or under another division of Bank (in its sole and exclusive discretion) prior to the Growth Capital Term Loan Maturity Date.

(ii) Mandatory Prepayment Upon an Acceleration. If the Growth Capital Term Loan Advances are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Bank an amount equal to the sum of (i) all accrued and unpaid interest with respect to each Growth Capital Term Loan Advance through the date the prepayment is made, plus (ii) all unpaid principal with respect to each Growth Capital Term Loan Advance, plus (iii) the Final Payment, plus (iv) the Make-Whole Premium, plus (v) all other sums, including Bank Expenses, if any, that shall have become due and payable with respect to the Growth Capital Term Loan Advances, including interest at the Default Rate with respect to any past due amounts.

2.2 Overadvances. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the "**Overadvance**")**.** Without limiting Borrower's obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to the greater of (i) the Prime Rate plus one percent (1.00%) or (ii) four and one-quarter of one percent (4.25%), which interest shall be payable monthly in arrears in accordance with Section 2.3(d) below.

(ii) Growth Capital Term Loan Advances. Subject to Section 2.3(b), the principal amount outstanding for each Growth Capital Term Loan Advance shall accrue interest during the Interest-Only Period at a floating per annum rate equal to the Prime Rate plus one and three-quarters of one percent (1.75%). Commencing on the Conversion Date, the principal amount outstanding for each Growth Capital Term Loan Advance shall accrue interest at a per annum rate, fixed as of the Conversion Date, equal to the Prime Rate plus one and three-quarters of one percent (1.75%). Such interest shall be payable monthly.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percent (5.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"), unless Bank otherwise elects from time to time in its sole discretion to impose a smaller increase. Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. (i) Interest on the Revolving Line is payable monthly in arrears on the last calendar day of each month and (ii) interest on the Growth Capital Term Loan Advances is payable in accordance with Section 2.1.2(b) above. Interest shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.4 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of Thirty-Seven Thousand Five Hundred Dollars ($37,500), on the Effective Date (the "**Commitment Fee**")**;** and

(b) Final Payment. The Final Payment, when due pursuant to the terms of Sections 2.1.2(c) and 2.1.2(d);

(c) Make-Whole Premium. The Make-Whole Premium when due pursuant to the terms of Section 2.1.2(d); and

(d) Good Faith Deposit. Borrower has paid to Bank a fully earned good faith deposit of Twenty Five Thousand Dollars ($25,000) (the "**Good Faith Deposit**") to initiate Bank's due diligence review process. Any portion of the Good Faith Deposit not utilized to pay Bank Expenses on the Effective Date will be applied to the Commitment Fee.

(e) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(f) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.4 pursuant to the terms of Section 2.5(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4.

2.5 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before

12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Subject to the terms of Section 9.4, in its good faith business judgment, Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.6 Withholding. Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures to the Loan Documents;

(b) duly executed original signatures to the Warrant;

(c) duly executed original signatures to the Control Agreement;

(d) the Operating Documents and long-form good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Borrower's jurisdiction of organization or formation and each jurisdiction in which Borrower is qualified to conduct business except for jurisdictions in which the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) duly executed original signatures to the completed Borrowing Resolutions for Borrower;

(f) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(g) the Perfection Certificate of Borrower, together with the duly executed original signature thereto;

(h) [Reserved];

(i) a copy of Borrower's Registration Rights Agreement, Investors' Rights Agreement and any amendments thereto;

(j) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(k) payment of the fees and Bank Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) except as otherwise provided in Section 3.4, timely receipt of an executed Payment/Advance Form and;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Payment/Advance Form and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement are true, accurate,

and complete in all material respects as of such date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) Bank determines to its satisfaction that there has not been a Material Adverse Change.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance or Growth Capital Term Loan Advance set forth in this Agreement, to obtain an Advance or Growth Capital Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 p.m. Pacific time on the Funding Date of the Advance or Growth Capital Term Loan Advance. Together with any such electronic or facsimile notification, Borrower shall deliver to Bank by electronic mail or facsimile a completed Payment/Advance Form executed by a Responsible Officer or his or her designee. Bank may rely on any telephone notice given by a person whom Bank reasonably believes is a Responsible Officer or designee. Bank shall credit Advances or Growth Capital Term Loan Advances to the Designated Deposit Account. Bank may make Advances or Growth Capital Term Loan Advances under this Agreement based on instructions from a Responsible Officer or his or her designee or without instructions if the Advances or Growth Capital Term Loan Advances are necessary to meet Obligations which have become due.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim in excess of Fifty Thousand Dollars ($50,000), Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, **Authorization; Power and Authority.** Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated

on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) except as set forth in the Perfection Certificate dated as of the Effective Date, Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement).

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, to the extent required by and pursuant to the terms of Section 6.6(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral (other than mobile equipment in the possession of Borrower's employees and agents) shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2. All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material

Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business. Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Accounts Receivable.

(a) For any Eligible Customer Account in any Monthly Recurring Revenue calculation and Borrowing Base Certificate, all statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing such Eligible Customer Accounts are and shall be true and correct and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. Upon the occurrence and during the continuance of an Event of Default, Bank may notify any Account Debtor owing Borrower money of Bank's security interest in such funds and verify the amount of such Eligible Customer Account.

(b) All sales and other transactions underlying or giving rise to each Eligible Customer Account shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are Eligible Customer Accounts in any Monthly Recurring Revenue calculation and Borrowing Base Certificate. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Customer Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Two Hundred Fifty Thousand Dollars ($250,000).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations as of the date thereof. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank by Borrower.

5.6 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all applicable Requirements of Law, and (b) has not violated any applicable Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has, in any material respect, been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Government Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries; Investments. Except for (i) equity interests in the UK Subsidiary, and (ii) Permitted Investments, Borrower does not own any stock, partnership, or other ownership interest or other equity securities.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any material liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank by Borrower in connection with the Loan Documents or the transactions contemplated thereby, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and signed written statements given to Bank by Borrower, contains any untrue statement of a

material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading in light of the circumstances under which they were made (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ materially from the projected or forecasted results).

5.12 Definition of "**Knowledge.**" For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6. AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and (except as otherwise permitted by Section 7.3) all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) Borrowing Base Reports. Within thirty (30) days after the last day of each month, aged listings of accounts receivable and accounts payable (by invoice date) (the "**Borrowing Base Reports**")**;**

(b) Borrowing Base Certificate. Within thirty (30) days after the last day of each month and together with the Borrowing Base Reports, a duly completed Borrowing Base Certificate signed by a Responsible Officer;

(c) SaaS Metrics. As soon as available, but no later than thirty (30) days after the last day of each month, SaaS based metrics certified by a Responsible Officer, including without limitation, a report detailing twelve (12) month net revenue churn and Monthly Recurring Revenue by customer, all in form and substance reasonably satisfactory to Bank;

(d) Monthly Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form reasonably acceptable to Bank (the "**Monthly Financial Statements**")**;**

(e) Monthly Compliance Certificate. Within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement substantially in the form of Exhibit B;

(f) Annual Operating Budget and Financial Projections. Within sixty (60) days after the end of each fiscal year of Borrower and as updated promptly following approval by Borrower's Board of Directors (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Borrower, and (ii) annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's Board of Directors, together with any related business forecasts used in the preparation of such annual financial projections;

(g) Annual Audited Financial Statements. (i) To the extent the Borrower's Board of Directors does not require an audit, as soon as available, but no later than thirty (30) days after the last day of Borrower's fiscal year, Borrower prepared financial statements prepared under GAAP, consistently applied, and (ii) if required by Borrower's Board of Directors, as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than as to going concern for venture backed companies similar to Borrower or a qualification resulting solely from the scheduled maturity of the Credit Extensions made hereunder occurring within one year from the time such opinion is delivered) on the financial statements from Ernst & Young, any other "Big Four" accounting firm, or any other independent certified public accounting firm reasonably acceptable to Bank;

(h) Other Statements. Within five (5) days of delivery, copies of all statements, reports and notices made generally available to Borrower's security holders or to any holders of Subordinated Debt;

(i) SEC Filings. In the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(j) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars ($250,000) or more; and

(k) Other Financial Information. Other financial information relating to Borrower reasonably requested by Bank.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition (ordinary wear and tear and casualty damage excepted), free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Bank of all returns, recoveries, disputes and claims that involve more than One Hundred Thousand Dollars ($100,000).

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts customary for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Bank in its reasonable discretion. All property policies shall have a lender's loss payable endorsement showing Bank as the lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Fifty Thousand Dollars ($50,000) with respect to any loss, but not exceeding One Hundred Thousand Dollars ($100,000) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Bank has been granted a first priority security interest (subject only to Permitted Liens), and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations.

(c) At Bank's reasonable request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Bank reasonably deems prudent.

6.6 Operating Accounts.

(a) Maintain its primary domestic operating, deposit and securities accounts with Bank and Bank's Affiliates and conduct its primary domestic banking services through Bank and Bank's Affiliates.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each domestic Collateral Account that Borrower at any time maintains, Borrower shall use commercially reasonable efforts to cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.7 Financial Covenants. Maintain at all times, to be tested as of the last day of each month, unless otherwise noted, on a consolidated basis with respect to Borrower:

(a) Adjusted Quick Ratio. A ratio of (i) Quick Assets to (i) Current Liabilities minus the current portion of Deferred Revenue of at least 1.15 to 1.00.

6.8 Protection of Intellectual Property Rights.

(a) Protect, defend and maintain the validity and enforceability of its Intellectual Property material to Borrower's business; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank reasonably requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest

in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.10 Access to Collateral; Books and Records. Allow Bank, or its agents, to inspect the Collateral and audit and copy Borrower's Books on one (1) Business Day's prior notice at reasonable times during normal business hours; provided that no notice shall be required during the continuance of an Event of Default. Such inspections or audits shall be conducted no more often than once every twelve (12) months (or more frequently as Bank shall determine conditions warrant, in its sole, but reasonable, discretion) unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. Borrower hereby acknowledges that Bank may conduct the first such audit within forty-five (45) days after the Effective Date (the "**Initial Audit**")**.** The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be Eight Hundred Fifty Dollars ($850) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of One Thousand Dollars ($1,000) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.11 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, Borrower shall, if requested by Bank in its sole and absolute discretion (a) cause such new Subsidiary that is a Domestic Subsidiary to provide to Bank a joinder to the Loan Agreement to cause such Domestic Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Domestic Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in any such new Domestic Subsidiary or Foreign Subsidiary, as applicable, in form and substance satisfactory to Bank (provided that in no event shall more than sixty-five percent (65%) of the total outstanding voting capital stock of any such Foreign Subsidiary be required to be so pledged if the pledge of a greater amount would cause Borrower adverse tax consequences under Internal Revenue Code Section 956, or any successor statute), and (c) provide to Bank all other documentation in form and substance satisfactory to Bank which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11 shall be a Loan Document.

6.12 Collection of Accounts. Borrower shall have the right to collect all Accounts, unless and until an Event of Default has occurred and is continuing. Bank shall require that Borrower direct Account Debtors to deliver or transmit all proceeds of Accounts into a lockbox account, or via electronic deposit capture into a "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"), pursuant to a blocked account agreement in form and substance satisfactory to Bank in its reasonable discretion. Whether or not an Event of Default has occurred and is continuing, Borrower shall immediately deliver all payments on and proceeds of Accounts to the Cash Collateral Account and such payments and proceeds shall be (i) prior to the occurrence and continuance of an Event of Default, transferred on a daily basis to Borrower's operating account with Bank, and (ii) after the occurrence and during the continuance of an Event of Default, applied in a manner pursuant to the terms of Section 9.4 hereof.

6.13 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7. NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in the ordinary course of its business for the payment of ordinary course business expenses in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.

7.2 Changes in Business, Management, Ownership or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) fail to provide notice to Bank of the departure of a Key Person within five (5) Business Days of such departure; or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders

immediately prior to the first such transaction own more than forty percent (40%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction).

Borrower shall not, without at least ten (10) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless each such new office or business location contains less than One Hundred Thousand Dollars ($100,000) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of One Hundred Thousand Dollars ($100,000 to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of One Hundred Thousand Dollars ($100,000) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and Borrower will use commercially reasonable efforts to cause such bailee to execute and deliver a bailee agreement in form and substance satisfactory to Bank in its reasonable discretion.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary). A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein (other than with respect to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock (provided, that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock, and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed Two Hundred Fifty Thousand Dollars ($250,000) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for (i) Borrower's future equity financings, transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person and transactions permitted pursuant to the terms of Section 7.2 hereof.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with applicable provisions of the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date or Growth Capital Term Loan Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.4, 6.5, 6.6, 6.7, 6.8(b), 6.10 or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above. Notwithstanding anything to the contrary herein, Borrower's failure to comply with Section 6.7(a) of the Loan Agreement shall not constitute an Event of Default under the Growth Capital Term Loan;

8.3 Investor Abandonment; Lien Priority. (a) Bank determines, in its good faith judgment, that it is the clear intention of Borrower's investors to not continue to fund the Borrower in the amounts and timeframe necessary to enable Borrower to satisfy its financial obligations as they become due and payable; or (b) there is a material impairment in the priority of Bank' s security interest in the Collateral;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets with a fair market value of One Hundred Thousand Dollars ($100,000) or more, individually or in the aggregate, by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower and its Subsidiaries, taken as a whole, are unable to pay their debts (including trade debts) as they become due or otherwise become insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Hundred Fifty Thousand Dollars ($250,000); or (b) any breach or default by Borrower, the result of which could have a material adverse effect on Borrower's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000) (not covered by independent third-party insurance as to which liability has not been denied by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal

(i) cause, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9. BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge by Borrower, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all

amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt

requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	Okta, Inc. 301 Brannan Street, 3rd Floor San Francisco, California 94107 Attn: Bill Losch, Chief Financial Officer Fax: _____ Email: _____
If to Bank:	Silicon Valley Bank 2400 Hanover Street Palo Alto, California 94304 Attn: Matthew Wright Telephone: _____ Fax: _____ email: _____

11. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS

AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

12. GENERAL PROVISIONS

12.1 Termination Prior to Revolving Line Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and

any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof).

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower contemplated by the Loan Documents (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties, and Bank shall deliver to Borrower copies of all Loan Documents so corrected.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence,

an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**")**;** (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, that any prospective transferee or purchaser shall have entered into an agreement containing provisions substantially the same as those in this Section); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers necessary in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive termination of this Agreement.

12.10 Attorneys' Fees, **Costs and Expenses.** In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Advance**" or "**Advances**" means a revolving credit loan (or revolving credit loans) under the Revolving Line.

"**Advance Rate**" is the product of (a) three hundred percent (300%) multiplied by (b) the Annualized Customer Retention Percentage, provided that Bank may, in its good faith business discretion, upon prior written notice to Borrower, change the Advance Rate. Changes in the Advance Rate based on changes in the Annualized Customer Retention Percentage shall be effective on the first (1st) day of the month following such change in Annualized Customer Retention Percentage. For example, if the Annualized Customer Retention Percentage was 88%, the Advance Rate would be 264% (300% multiplied by 88%).

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Annualized Customer Loss Percentage**" is, for each Measurement Period, (a) the total number of customers of Borrower not retained or lost during such Measurement Period, divided by (b) the total number of customers of Borrower remaining with Borrower on the first (1st) day of such Measurement Period (the quotient of clauses (a) and (b) herein, is called the "**Trailing Three-Month Churn Rate**"), multiplied by (c) four (4). For example, if the Trailing Three-Month Churn Rate is 3.00%, the Annualized Customer Loss Percentage would be 12% (3.0% multiplied by 4).

"**Annualized Customer Retention Percentage**" is, for each Measurement Period, an amount equal to (a) one hundred percent (100%) minus (b) the Annualized Customer Loss Percentage for such Measurement Period. For example, if the Annualized Customer Loss Percentage is 12%, the Annualized Customer Retention Percentage would be 88% (100% minus 12%).

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including any Advance request, on behalf of Borrower.

"**Availability Amount**" is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

"**Bank**" is defined in the preamble hereof. "**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all audit fees and expenses, costs, and out-of-pocket expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "**Bank Services Agreement**")**.**

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Base**" is an amount equal to the result of the Advance Rate multiplied by the Monthly Recurring Revenue, as determined by Bank in its sole discretion, tested as of the last day of the immediately preceding calendar month; provided, however, that Bank will promptly provide Borrower with notice of the results of Bank's calculation of the Borrowing Base after each monthly test.

"**Borrowing Base Certificate**" is that certain certificate in the form attached hereto as Exhibit E.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions substantially in the form attached hereto as Exhibit D.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"**Cash Collateral Account**" is defined in Section 6.11.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Claims**" is defined in Section 12.3.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commitment Fee**" is defined in Section 2.4(a).

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Conversion Date**" is defined in Section 2.1.2(b)(ii).

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Advance, Growth Capital Term Loan Advance, Overadvance, or any other extension of credit by Bank for Borrower's benefit.

"**Current Liabilities**" are all obligations and liabilities of Borrower to Bank, plus, without duplication, the aggregate amount of Borrower's Total Liabilities that mature within one (1) year.

"**Default Rate**" is defined in Section 2.3(b).

"**Deferred Revenue**" is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is the multicurrency account denominated in Dollars , account number , maintained by Borrower with Bank.

"**Dollars**," "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Domestic Subsidiary**" means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"**Effective Date**" is defined in the preamble hereof.

"**Eligible Customer Accounts**" means Accounts of Borrower generated from expected receipt of Recurring Revenue which arise in the ordinary course of Borrower's business that (i) meet all of Borrower's representations and warranties described in Section 5.3 and (ii) are or may be due and owing from Account Debtors deemed acceptable to Bank in its sole discretion; provided that Bank reserves the right at any time and from time to time to exclude and/or remove any Account from the definition of Eligible Customer Accounts, in its sole discretion.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Final Payment**" is a payment (in addition to and not a substitution for the regular monthly payments of principal and accrued interest) due on the dates set forth in Section 2.1.2(c) and 2.1.2(d), equal to the original principal amount of the applicable Growth Capital Term Loan Advance, multiplied by the Final Payment Percentage.

"**Final Payment Percentage**" is, for each Growth Capital Term Loan Advance, equal to two percent (2.00%).

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Foreign Subsidiary**" means any Subsidiary which is not a Domestic Subsidiary.

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Good Faith Deposit**" is defined in Section 2.4(d).

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Growth Capital Term Loan**" is a growth capital loan made by Bank pursuant to the terms of Section 2.1.2 hereof.

"**Growth Capital Term Loan Advance**" or "**Growth Capital Term Loan Advances**" is defined in Section 2.1.2(a).

"**Growth Capital Term Loan Amount**" is an amount equal to Ten Million Dollars ($10,000,000).

"**Growth Capital Term Loan Maturity Date**" is, for each Growth Capital Term Loan Advance, August 1, 2017.

"**Growth Capital Term Loan Payment**" is defined in Section 2.1.2(b)(ii).

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Initial Audit**" is defined in Section 6.10.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, means all of such Person's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Interest-Only Period**" means, for each Growth Capital Term Loan Advance, the period of time from the Effective Date through February 28, 2015.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Key Person**" is the Borrower's Chief Executive Officer who is Todd McKinnon as of the Effective Date.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or any guarantor, and any other present or future agreement by Borrower and/or any guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

"**Make-Whole Premium**" is, with respect to each Growth Capital Term Loan Advance, an amount equal to (a) two percent (2.0%) of the outstanding principal amount of such Growth Capital Term Loan Advance if the prepayment is made before the first (1st) anniversary of the Funding Date of such Growth Capital Term Loan Advance; (b) one percent (1.0%) of the outstanding principal amount of such Growth Capital Term Loan Advance if the prepayment is made on or after the first (1st) anniversary of the Funding Date of such Growth Capital Term Loan Advance but before the second (2nd) anniversary of the Funding Date of such Growth Capital Term Loan Advance; and (c) one-half of one percent (0.50%) of the outstanding principal amount of such Growth Capital Term Loan Advance if the prepayment is made on or after the second (2nd) anniversary of the Funding Date of such Growth Capital Term Loan Advance.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; (c) a material impairment of the prospect of repayment of any portion of the Obligations; or (d) Bank determines, based upon information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrower shall fail to comply with one or more of the financial covenants in Section 6 during the next succeeding financial reporting period.

"**Measurement Period**" means, as of the date of any determination, the trailing three (3) month period then ended.

"**Monthly Financial Statements**" is defined in Section 6.2(a).

"**Monthly Recurring Revenue**" means, for any month as at any date of determination, the sum of the aggregate value of Recurring Revenue for such month taken as a single accounting period under GAAP, minus Recurring Revenue of Borrower that was lost during the month ended as of such date of determination.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents (other than the Warrant), or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents (other than the Warrant).

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Overadvance**" is defined in Section 2.2.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit C.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder; and

(g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (f) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.